# THE FINANCIAL POST

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## TRADE RECOVERY IMPOSSIBLE WHILE SMUGGLING EXISTS

### Loss in Revenue Huge But Less Serious Than Drain on Business

### DEFEATS PROTECTION

### Satisfactory Credit Conditions Reported by Mortgage Lending Companies at Annual Meetings

Whether fully substantiated or not the damaging charge of gross maladministration of the customs department by the Federal Government brings before business in very definite form one of the factors responsible for bad business during recent years. It is common knowledge that smuggling is going on on an extensive scale on the Canadian-United States border at all times, but that this lawlessness was organized on so magnificent a scale, possibly few imagined. The charge is of such graveness that it must be either disproven or substantiated. It is the feeling of business that the elimination of this burden would be a long step towards industrial recovery.

That the public exchequer lost something like $30,000,000 through *smuggling* is a disastrous situation in itself, if true. It is not the worst side of the matter, however. Business is constantly subjected to the sapping effect of this well-organized, criminal competition. As stated by the Hon. Mr. Stevens, author of the charge, "truck loads of smuggled goods are crossing the line openly, brazenly, within the knowledge of everybody—liquor south, merchandise north . . prison-made overalls and cotton goods from the United States coming in truck loads and car loads—car loads of liquor going out and of merchandise coming in." This means that the measure of protection which the Canadian people are supporting for the sake of establishing new industries and placing the country upon a sound footing is being defeated for the benefit of a few criminals and their accomplices. A small margin of protection is sufficient to allow of certain industries operating at a profit, while the lack of it frequently drives a number of less profitable concerns out of business. Dumping smuggled goods into the Canadian market to sell at lower than market prices has the same effect upon business and industry as the withdrawal of tariff protection, but it benefits only a few lawbreakers. If the figures presented in Parliament this week are anywhere near correct, the volume of smuggling which goes on constantly is sufficient to keep the industries affected in constant depression. It was charged that $15,000,000 to $20,000,000 worth of smuggled silks alone cross the Quebec border every year.

A business expert in the United States said recently that theft and other forms of crime cost the government something like five billion dollars every year. It would be impossible to arrive at the actual cost of this smuggling to Canada each year, but one can form an estimate, as suming the correctness of the figures given in the House. For the past calendar year the amount of duty collected on imports amounted to $137,858,088. This represented a percentage of 24.6 on the country's dutiable imports which totalled $561,061,127, and a percentage of 15.5 on all imports. Since smuggling takes place only in the case of dutiable goods, and, presumably, such forbidden products as prison-made goods, one can see how large a proportion of our market is affected. The volume of goods, according to this analysis, is sufficient to account for the difference between business prosperity and depression in certain lines. The clearing up of the situation would remove a tremendous handicap from Canadian business.

### Foundation Laid For Business Prosperity

That there is no lack of money in Canada available for mortgage loan purposes and that the Canadian farmer is receiving and has received abundance of credit in the past, were two features of the address by W. E. Rundle, general manager of the National Trust Company to the shareholders at the annual meeting this week. Mr. Rundle referred to the interest of the lending companies in this subject pointing out that they had, before and since Confederation, largely supplied the mortgage credits of Canada and had been an important factor in the development of the Dominion. Reference was made to the fact that the farmers of Canada and the United States have suffered more from over-extension of credit than from the lack of it. Mr. Rundle commented also on the general improvement in the mortgage situation. Reference was also made to the completion of the groundwork for better business in Canada.

The recovery of business in the West was a leading theme dealt with by Hon. N. W. Rowell in his address to the shareholders of the Toronto General Trusts Corporation. "In visiting Western Canada," said Mr. Rowell, "one could not but be struck

(Continued on page 16)

## *New Elections and New Leadership Are Wanted in Quebec*

The view of The Financial Post that an early federal election should be held as the only practical method of breaking the present political impasse at Ottawa, is also the view of the Quebec Chronicle-Telegraph, one of the most influential of the French-Canadian newspapers and independent in politics. It says:

> It is hard to see how fresh elections can be any more disastrous than a prolongation of the present situation at Ottawa, unless they should prove to be as inconclusive as the last, and there is no more certainty of public opinion taking a definite orientation during the next four years than there was of its doing so in the four years just past. The people are not only without constructive, patriotic leadership, but they are bedevilled by the most selfish and unscrupulous form of partisanship. Until leadership is found, the people must continue to sojourn in the wilderness.

## New Bond Issue Was Subscribed Five Times Over

### Demand To-day is Not for Capital But for Investment Opportunities

The fact that, as indicated by the statements of the Canadian banks, there are large sums of money in Canada seeking investment with reasonable security and a fair interest return, has been indicated in the wide demand for stock in the Kelvinator Company of Canada, recently offered. This issue of $800,000 attracted subscriptions of more than five times that amount. The result was that, following the policy of securing wide public distribution, only those who subscribed for five shares secured a full complement. All other subscriptions were scaled down, many of the subscribers getting only about 10 per cent. of the number of shares asked for.

In practically every field to-day in Canada the problem is not to find capital, but to provide opportunities offering investors reasonably satisfactory security and a fair interest return on their money.

## LOCOMOTIVE CO. TO MANUFACTURE MINE MACHINERY

### General Manager Casey Sees Great Future for the Industry

The growing recognition that Canadian mineral development is becoming a well established industry is indicated by the entry into the mining equipment field in a serious way of the Canadian Locomotive Company. As the result of negotiations conducted in Colorado by William Casey, general manager of the company, exclusive rights have been secured to manufacture and distribute in Canada the full line of machinery and equipment turned out by the Colorado Iron and Fuel Co. The manufacture of railroad motive power equipment will continue as the company's principal business.

The Kingston company's decision to enter this new field was only reached after thorough investigation. Its plant is particularly well adapted for the making of mine machinery, and the management expects that before long output will be on a large scale.

Mr. Casey is very optimistic about the future of the mining industry in Canada, and this was perhaps the greatest factor in the company's decision to enter the field.

At the present time Canadian Locomotive is working on a tank order for the Aluminum Co. of America, employing about 180 men. At capacity the company employs 800 men; during the war it employed at times up to 1,600 men.

The company has recently had enquiries from one of the railways for locomotives, and on the whole prospects for 1926 appear much better than for some time.

### Would Prohibit Export of St. Lawrence Power to the United States

Believing that the development of Eastern Ontario is being retarded by an acute shortage of electrical energy, the Council of the United Counties of Stormont, Dundas and Glengarry have passed a resolution urging the Provincial Government to proceed at once with the proposed St. Lawrence River power developments. It was requested that the government prohibit exportation of any part of Canada's share of the power to be developed.

It is authoritatively stated that a public offering of shares of Waite-Montgomery in Northwestern Quebec, will soon be made. President Noah Timmins, Hollinger Consolidated, controls Waite-Montgomery.

## SAWYER-MASSEY TO REORGANIZE CAPITAL STOCK

### Present Preferred Issue is 84 Per Cent. in Arrears

Following the policy of other companies which have reorganized their capital to a basis more in keeping with present output and business prospects, and thus faced the situation with which they are confronted, The Financial Post learns that an adjustment in the affairs of the Sawyer-Massey Company is being planned and will probably be placed before the shareholders during March. Prospects for the company, like other makers of agricultural implements, have improved as the result of better conditions in the agricultural industry but it is felt that it will be very difficult to make any satisfactory showing if an attempt is made to carry the existing burden of dividend arrears.

The company has cumulative preferred stock outstanding of $1,500,000 and common stock of a similar amount. The preferred dividends have been deferred since the quarter beginning June 1st, 1914, making 84 per cent. in arrears as at May 31st, 1925. This is a total dividend liability of $1,260,000.

The financial statement for the year ending November 30th, 1924, showed bank advances and accounts payable of $2,156,639 and bonds outstanding of $210,873, ahead of the liabilities to shareholders. As security for bank loans the company issued $2,000,000 of 6 per cent. debenture stock, which it was explained was held by the Bank of Commerce. A profit and loss deficit of $756,332 was indicated.

Assets were shown to include current assets of $2,477,302 and fixed assets of $2,374,525. Goodwill was put in at $200,000.

## MORE AMERICAN MONEY FOR CANADA

### International Harvester Acquires $6,000,000 Timber Properties in B.C.

CHICAGO.—International Harvester Co. has acquired controlling interest in large saw timber, pulpwood and water power properties in British Columbia.

Extensive Canadian holdings of White Bros. Lumber Co. and the Beaver Cove Lumber & Pulp Co., Ltd., have been sold for about $6,000,000 to a consolidated and re-organized company known as the Can. Forest Pro. Ltd., of which Cyrus McCormick, Jr., is president, George A. Ranney and William M. Reay, vice-presidents, George C. Pratty, secretary, Arnold B. Keller, treasurer, and William R. O'Dell, Jr., assistant secretary and assistant treasurer. Directors are the president, the two vice-presidents, the secretary and William S. Elliott, Ralph G. Brooks, Wendell B. Farris, C. S. Battle and W. H. White.

Harvester's controlling interest insures adequate financial support for the new company Development plans have not been formulated but company proposes to proceed at once with thorough investigation.

## Automobile Industry Hard Hit by Uncertainty About Tariff

Current reports that the government contemplates a reduction of 20 per cent. in the tariff duty on motor cars entering Canada are having a dampening effect upon the sale of automobiles. The uncertainty arising from such a suggestion cannot but lead to the postponement of purchases on the part of prospective buyers It is therefore highly desirable that some announcement be forthcoming immediately in order to allay the uncertainty which is a handicap to business.

That the Canadian automobile manufacturer should favor a reduction in motor car tariff is not to be expected, since it would place him immediately in competition with a larger number of foreign producers. He is, however, in favor of a reduction in the duty on accessories and parts, and intimates that this would make possible a reduction in the price of motor cars to the ultimate consumer. Canadian manufacturers also urge lower taxation on the industry, especially a reduction in the sales tax. The position of the Canadian manufacturer is probably well summarized in the following statement made recently by R. S. McLaughlin, president of General Motors of Canada:

> Expressed in another light, with mounting taxation, the protection afforded by the tariff has been materially reduced from former years insofar as the Canadian manufacturer is concerned.
>
> Consideration of conditions would seem to indicate that one of the elements of real prosperity that we lack, is lower taxation.
>
> It is possible that a point may be reached where taxation is so heavy that it curbs initiative, makes the profitable operation of business next to impossible, forces salary and wage reductions, thus reducing the purchasing power of the nation and hampering the safe and profitable investment of capital. In other words, excessive taxation tends to keep prices higher than they should be, and forces the consumption to be less, which, in turn, reduces the manufacturers' volume and profit.
>
> All the foregoing is particularly applicable to the automotive industry, and all its related industries, such as parts, raw materials, accessories and tire manufacturers; dealers, garage owners; gas and oil refineries, railroads, transportation companies, etc.

While this is the attitude taken by Canadian producers, there is considerable promotion for a lower tariff on the part of the importing interests, but the uncertainty now existing creates a very unsatisfactory situation for all concerned.

## *Our Greatest Public Scandal*

The lid on the greatest and most far-reaching scandal in our national history was not lifted off this week in the House of Commons by Hon. Mr. Stevens. It was raised gently, just enough to show that all was not right in our public service. The fearful, seething mass of corruption, filth, blackmail, wholesale bribery, lewd women and murder, involving men in public life in both parties, was not revealed.

The government was not ignorant. The Prime Minister, Hon. Mackenzie King, was shown enough months ago. The Royal Mounted Police did their duty, as they always do; the Cabinet had their reports. They were called off. Leading business men, well known life-long Liberals, brought additional evidence right up to Mr. King and leading members of his Cabinet.

The reports showed how reputable Canadian business was suffering because of the operations of this ring which the Government, if not technically, was at least practically protecting. They showed, we are informed, where Canada had been actually defrauded of $30,000,000 revenue. It was a matter of life and death with Canadian manufacturers, workers and merchants. Millions of goods were being smuggled in. Here and there the business papers exposed them, but activities continued, though with greater secrecy.

There is evidence that merchants as far west as Winnipeg were tipped off. Millions in goods came mainly from Germany and the States without passing through the Customs at all; while others found it to their advantage to clear goods through the port of Montreal and some other special points rather than through other ports in the Dominion. There and in numerous centres throughout Canada honorable importers who refused to handle smuggled goods found their next-door competitors underselling them 15 to 25 per cent. They found scores of new stores springing up dealing specially in smuggled goods. Secret service reports were given by a member of the Cabinet to those under suspicion.

Investigation by a committee of private citizens made up of Liberals and Conservatives is still going on, and they roughly estimate that the Government has been robbed of $200,000,000, which is to some extent reflected in the unemployment, the migration of Canadians looking for work to the States, and in other ways. It explains why we are still compelled to pay sales, income and other war taxes. Notwithstanding this evidence being brought to the attention of certain members of the Government, they clamped the lid down tight, and sat on it. Word went round that nothing would come out, as several leading Conservatives were also in the mess and that party dared not go back on them.

It was no doubt with this knowledge before them that decent Liberals, some of them in Mr. King's Cabinet, supported the demand for an appeal to the country last autumn. When Mr. King refused to appeal, they insisted, hoping thus to bring about a regeneration of the party.

This need is strongly felt in Ontario and Quebec. It is significant that the Liberal newspapers of Ontario are giving more prominence to Mr. Stevens' exposures than are the Conservative newspapers.

In another column we are publishing a letter from the Liberal leader in the Ontario Legislature, W. E. Sinclair, M.P.P. We are glad to do so. He

(Continued on page 13, cols. 1 and 2)

## *Huron & Erie Bids for Canada Landed*

While nothing official can be obtained as to whether the directors of the Canada Landed and National Investment Company will have a definite proposition regarding the sale of the company to lay before the shareholders at the annual meeting next week, it is known that offers are being considered. The name of the Huron & Erie Mortgage Corporation is definitely mentioned in connection with one of these offers, said to be on the basis of more than 100 for the shares with a par value of $50, while the Canada Permanent and one or two other companies are definitely understood to be interested in the bidding.

The company's financial position is strong and investments are both valuable and comparatively liquid. If a decision is reached to sell, it will be simply because it is believed that such a course will be to the advantage of the shareholders rather than to continue in a field which offers comparatively unattractive profits for the straight loaning companies.

## ANOTHER $6,000,000 PULP-PAPER DEAL ON PACIFIC COAST

### Graham Island Operation Merges With Los Angeles Interests—Makes Four Deals

VANCOUVER. — Graham Island Timber Co. and Zellerbach Corporation of Los Angeles and several lesser concerns primarily interested in the financing of pulp and paper projects on the Pacific coast have merged. About $6,000,000 is involved.

Graham Island Timber owns extensive tracts of timber on Queen Charlotte Islands, which produced a large proportion of the airplane spruce bought during the war by the Imperial Munitions Board. The Zellerbach interests will either raft the timber from the islands to Los Angeles and there use it in the manufacture of pulp, or send it to plants recently acquired in the state of Washington.

This is the fourth important deal involving British Columbia pulp timber negotiated during the past six weeks. International Harvester deal with the Beaver Cove Timber involving the immediate investment of $6,000,000 in a pulp and paper plant on the east coast of Vancouver Island has been definitely concluded and further amounts will probably be invested by the harvester people later. Cyrus H. McCormick, Jr., has been elected president of the new company

American capital has also taken over control of Whalen Pulp and Paper and Pacific Mills, which latter concern is now a part of the Crown Willamette group of pulp and paper enterprises, in which the Herbert Fleischaker interests of San Francisco are dominant.

## *Canada Consults One Man; New Zealand Searches World*

OTTAWA.—While the Dominion government is considering a proposal to inaugurate a national plan of rural credits on the recommendations of Dr. Tory, of the University of Alberta, without having consulted its own department which superintends the present loaning organizations in Canada, or the companies themselves, the government of New Zealand is making a world wide survey before deciding the question of state aided credit in that country. A royal commission is making a study of farm loan plans in vogue throughout the world. In order that an impartial report may be made and that the systems may be viewed from both the progressive and the conservative angles, representatives of both elements in the New Zealand parliament have been appointed to the commission. The members of the commission are circumnavigating the globe, making investigations in the United States, Canada, Chile, South Africa, Europe and Australia.

During a visit at the office of the Mortgage Bankers' Association of America, in Chicago, recently, the New Zealand commissioners stated that they had come to one very important conclusion and that is that they would report against organizing a system of New Zealand authorized to issue tax free bonds. They said they had agreed that such features of some of the systems now in existence are unjust to farmers who are not borrowers from the government system and also unjust to all other taxpayers.

In view of the improvement in the agricultural situation in Canada, and the increasing realization of the dangers of government loan projects as exemplified by certain of the provinces, the feeling is increasing that the government should go very slowly in undertaking any plan which experience teaches would probably entail heavy burdens on the taxpayer without providing a service which is not now provided or could be provided through the established loaning institutions.

## BESCO AND MEN ARE MEETING ON COMMON GROUND

### Union Leaders Recognizing the Needs of the Industry

### REDS ARE REPRESSED

### Endeavors to Stir up Trouble Have Little Effect on Delegates Who Read Duncan Report

**From Our Own Correspondent.**

SYDNEY.—Unless something entirely unforseen happens Nova Scotia's harrassing wage disputes will soon be a thing of the past and province operators and authorities will be free to devote their whole energies to extending markets for eastern coal. Amazing frankness, during the U. M. W. Convention which closed its sessions here to-day, shows that a better spirit is animating the corporation as well as the men, and not many days should be required to negotiate a new, lasting contract on the basis of the Duncan Report. This recommends a fixed scale, about 10 per cent. of 1924 rates, or practically what the men are working under now, below which scale wages will not fall during the life of the contract. There will be an accounting every six months by experts for the company and the union and the men will participate in all increased earnings above a certain figure to be fixed by negotiations.

So far the men have only voted for a two-year agreement, but they are anxious to retain the check-off and it is expected that this will be "traded" during the conference for more time on the length of contract. Good will was shown by U. M. W. officials, advising the delegates that they had been mistaken in many of their charges against the corporation management. The company on the other hand sent word informally that it would not exact the full ten per cent. cut authorized by the Duncan Board, but would leave the rates for most of the datal, or lower paid men, as they are at present.

#### A Better Understanding

This was an unexpected concession and won from President MacLeod a tribute to the Besco management, which he said, the enquiry had proved has accomplished a cut of 80 cents a ton in the price of coal apart from the item of wages.

Although the men turned down the Duncan proposal for a two year term for union officers, the only really unsatisfactory proceeding of the whole week was the request to the International for reinstatement to membership rights of the members of the old Red executive deposed for Communistic activities by John L. Lewis in 1923.

#### Reds Still on Warpath

The ground for the request is that these men have been sufficiently punished by two years' suspensions. That some of them at least have not changed their views or tactics, is shown by their action in flooding the convention, at the crucial moment of the Duncan Report debate, with copies of the recently revised Labor Herald, bitterly opposing adoption of the scale.

The convention also cut the salaries of the officers at their own request, to conform with the lowered earning power of the district, and endorsed nationalization of mines — present owners to be compensated by arbitra-

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# *The Trend of Business and Industry*

**Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.**

## MANITOBA GETS THIRD OF INCOME FROM FACTORIES

### Province Becomes Self-sufficient as New Industrial Plants Are Added

Manitoba buying power is greater to-day than it has been for some years, and there are fewer debts outstanding. This is not due to the 1925 crop alone since the leading field crop yielded less than in the previous year. The big thing is that one good crop in itself is sufficient to revive business and liquidate debts. Two, however, have been sufficient, and banking leaders state that the debt situation is fairly well cleared up.

The wheat yield of Manitoba, according to figures just published by the Dominion Government, was 39,453,000 bushels against 41,464,000 in 1924. The value was $46,555,000 against $51,415,000. There were also losses in the case of barley and oats figures. This was partially balanced by gains in dairy and farm animal products, so that the total of farm revenue should be well up to or in excess of the 1924 figure. In any event it has made more difference to business than the 1924 crop.

That Manitoba is no longer wholly dependent on the output of the farm is seen from the relative importance of the various sources of revenue. New manufacturing industries are being added constantly, and the province is thus becoming more self sufficient. At the present moment negotiations are underway in connection with the completion during the current year of a new sugar industry. Winnipeg and a number of the other leading cities and towns are adding small industrial enterprises. During the past year, as estimated by The Financial Post Survey, the manufacturing industries will yield approximately half as great a revenue as has been realized from all branches of farming. The figures are $170,580,000 from agriculture and $92,334,531 from manufacturing. Then there are the other sources of revenue such as mining, fishing, forestry and fur production. Agriculture is reponsible for about 63 per cent. of the total revenue rather than a much larger figure as often supposed. Judging from present indications a number of new industries will be added during the year, and the Manitoba area which even now has an urban population only marginally smaller than the rural population, seems to be becoming an industrial rather than a purely farming area.

**New Construction Active**

While the volume of building, taking the province as a whole, has not been particularly active, the 1925 totals have come out ahead of these for 1924. Building permits for the City of Winnipeg during 1924 were $3,167,950 against $4,154,190 in 1924. Building contracts for January 1926 were $3,916,100. It is generally felt that the building program in Manitoba has scarcely kept up with requirements, and that 1926 will see a larger program, particularly as the promised business improvement materializes. Contemplated new construction in January, according to MacLean Building Reports, was $1,425,600.

General business throughout Manitoba has not yet changed radically, but a gradual improvement is noted especially since the turn of the year. The payment of indebtedness is probably the healthiest indication. The completion should and probably will precede a definite increase in the volume of business turnover. Mining developments in the northern part of the province promise big expansion, and other factors point to an inherently sound business and industrial position.

**OUR PRAIRIE FISHERIES**

EDMONTON.—To date a total of 955 fishing licenses have been issued in Alberta, the largest number issued in the history of the province.

## Canadian Business Indicators

### INDUSTRIAL

**Car Loadings—**

| | 1926 | 1925 |
|---|---|---|
| Week Jan. 23 | 54,191 | 50,327+7.7% |
| Year to date | 165,543 | 152,693+8.4% |

**Grain Receipts—**

| | | |
|---|---|---|
| Aug. 1 to Jan. 22 | 300,517,612 | 181,998,462+65.1% |

**Building—**

| | | |
|---|---|---|
| December | 6,927,860 | 5,817,493+19.1% |

**Railway Earnings—**

| 11 Months— | | |
|---|---|---|
| C. P. R. | $163,537,460 | $166,811,984— 1.9% |
| Oper. Exp. | 194,203,327 | 201,787,478— 3.7% |
| Net | 35,327,983 | 33,497,940+ 5.4% |
| C. N. R. | 221,119,532 | 216,271,446+ 2.2% |
| Oper. Exp. | 104,203,327 | 201,787,478— 3.7% |
| Net | 26,916,205 | 14,483,968+85.8% |

**Pig Iron Output—(tons)**

| | | |
|---|---|---|
| 12 months | 570,397 | 593,024—3.8% |

### FINANCIAL

**Bank Clearings—**

| | 1926 | 1925 |
|---|---|---|
| January | $1,349,306,742 | $1,407,800,094—4.1% |

**Savings Deposits—Chart. Banks—**

| | | |
|---|---|---|
| November | $1,298,831,228 | $1,231,861,390+ 5.4% |

**Current Loans—By Banks—**

| | | |
|---|---|---|
| November | $909,977,043 | $961,349,103— 5.3% |

### COMMERCIAL

**Balance of Trade—**

| 12 months, Dec. 31— | 1925 | 1924 |
|---|---|---|
| Exports | $1,283,098,795 | $1,070,611,616+19.8% |
| Imports | 890,267,348 | 808,144,573+10.1% |
| Balance | 392,831,447 | 262,467,043+49.6% |

**Wheat, No. 1 Nor., Winnipeg—**

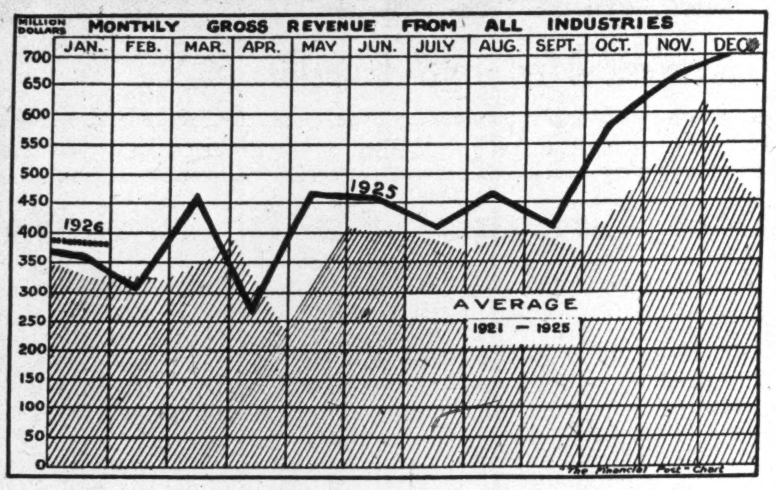
| 1926 | 1925 |
|---|---|
| Feb. 1, $1.59 | Feb. (Av.) $1.96 |

**Cattle—(Good, Toronto)**

| | |
|---|---|
| Feb. 1, $8.40 | Feb. (Av.) $6.97 |

**Hogs—(Select, Toronto)**

| | |
|---|---|
| $13.00 | (Feb. Av.) $11.80 |



## Revenue From All Industries $363,562,500 During January

### Production Usually Lowest About April and Reaches High Point During Last Month of Year

January's contribution to the country's total income from all branches of industry as estimated by The Financial Post, was $363,562,500. This compares with $351,020,625 for January, 1925. These figures comprise the gross revenue from agriculture, forestry, fishing, trapping, mining, electric power development, construction and manufacturing.

The monthly figures of production in the various industries specified are not all immediately obtainable and the January figure is arrived at by taking the proportion of the yearly total contributed by January over a period of years. The yearly total will be adjusted as the year proceeds.

To arrive at the proportion of the total to be allotted to each month, a thorough study of monthly business and industrial trends leads to the conclusion that the most accurate measure of production is exportation. While the revenue from the various industries is not always realized immediately, the export figures show the total transactions of all industries in any given month.

This is what is wanted. The total for each month is adjusted within the 1926 export figures, so that over a period the monthly totals will be sufficiently accurate for practical purposes.

The revenue from all branches of production last year by months was:

| | |
|---|---|
| Jan. | $351,020,700 |
| Feb. | 312,018,400 |
| Mar. | 468,027,600 |
| April | 273,016,100 |
| May | 468,027,600 |
| June | 468,027,600 |
| July | 429,025,300 |
| Aug. | 428,027,600 |
| Sept. | 429,025,300 |
| Oct. | 585,034,500 |
| Nov. | 663,039,100 |
| Dec. | 702,041,400 |

## Power Production Index Shows Increased Output

The new power production index prepared by the Royal Bank of Canada as a barometer of business conditions has just appeared for the month of November. According to the figures presented, Canadian Electric Power Production amounted to 25,525,781 k.w. hrs., for November, on the basis of figures representing 92 per cent. of the industry. The striking fact about these figures is the rapid increase in output which has characterized both October and November. The second table gives the same figures for Ontario and Quebec. December figures will be given next month. After next month the figures will be quoted quarterly. We would prefer to give the number monthly but some of the largest producers report quarterly so that we are unable to publish more frequently. Canadian, and Ontario and Quebec figures for September, October and November were:

**Canadian Power Production**

| 1924—Daily K.W.H. | |
|---|---|
| September | 20,958,142 |
| October | 21,209,545 |
| November | 22,605,957 |

| 1925—Daily K.W.H. | |
|---|---|
| September | 23,992,587 |
| October | 23,957,359 |
| November | 25,525,781 |

**Ontario and Quebec Power Production**

| 1924 | |
|---|---|
| September | 17,349,728 |
| October | 17,934,178 |
| November | 18,599,701 |

| 1925 | |
|---|---|
| September | 18,469,670 |
| October | 18,933,750 |
| November | 20,283,462 |

## Employment is Highest In British Columbia

While the usual seasonal slackness in employment has been very evident at the beginning of the year, the decline was smaller than at any time since 1920. Employment was on a higher plane than at the beginning of any of the last six years. With the exception of coal mining, all industries showed contractions. The losses in manufacturing plants, which chiefly represented shut-downs for holidays and inventories, were most extensive, although they were not as great as in preceding years. Building and transportation also reported substantial reductions. Among all the provinces the index stood highest in British Columbia, being slightly above 100 per cent. of January, 1920, the adopted base.

## Five Thousand Coming on Land Settlement Plan

WINNIPEG.—Major John Barnett, Ottawa, chairman of the Soldier Settlement Board, says that 5,000 settlers are in sight for Canada this year under the Land Settlement scheme.

"The majority will come from Great Britain and will be prepared to take root in Canadian soil, as whole families will come out together," Major Barnett said.

"Some will be placed on Dominion government land, but the greater number will be located on vacant soldier settlements, and all will have the benefit of the reduced fare announced for this year's immigration."

## B.C. Dairy Industry is on the Eve of Prosperity

NEW WESTMINSTER. — That the dairy industry has passed through the worst of its troubles, and was now on the eve of prosperity, was the spirit which pervaded the addresses at the annual dinner of the British Columbia Dairymen's Association.

This feeling was strongly expressed by ex-President Sam Shannon, and reiterated by F. L. Mitchell, president of the Ayrshire Breeders' Association, who said the industry would soon be over the top.

In any case the dairymen of the coast have little to complain of, with butter fat well over 50 cents, while in the interior they had to pay just as much for feed, and had to be content with 42 cents per pound for butter fat, he added.

Mr. Shannon pointed to the great improvement in the dairy cattle of the province, as evidenced by the fact that there were now more than 4,000 cows in the cow-testing associations, and that records had been made which had not been eclipsed anywhere in America.

**NOVA SCOTIA'S PRODUCTION**

HALIFAX.—It is estimated that the products of Nova Scotia yielded $145,847,000 during the year 1925. This sum was made up of the following items: coal, $19,800,000; coke and by-products, $1,750,000; gold and other minerals, $770,000; gypsum, limestone, etc., $4,500,000; building materials and clay products, $3,000,000; iron and steel products, $8,900,000; fisheries, $10,500,000; products of the farm, $22,327,000; products of the forests, $12,250,000; manufactures, ships and freights, $53,100,000; game and furs, $850,000; and tourist traffic, $8,100,000.

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## RETAILERS BUYING MORE FREELY IN WEST

### Ashdown Company Looks for Large Increase in Turnover During Present Year

Evidence of improving business conditions in Western Canada is seen in reports emanating from such firms as Ashdown Hardware Co., Ltd. Judging from the enthusiasm which reigned throughout a recent convention of the sales force, and the optimism with which the executives and the salesmen referred to the year just started, business will be better this year than it has been for some time, says Hardware and Metal. President H. C. Ashdown predicted a good year in the following terms:

"I think I can rightly claim to be a good prophet. A year ago I told you that I felt pretty sure that after four years' depression of business we had turned the corner and might look forward with confidence to better times. To-night I can truthfully say that this expectation has been borne out. You have all seen the improvement during the last few months. Your sales tell the story.

"This should truly be the year of opportunity. The country as a whole has been gradually working into a position to profit from the foundation that has been laid for real prosperity.

"Sir Vincent Meredith, in his address a short time ago to the shareholders of the Bank of Montreal, said that without doubt the trend of business throughout the country was now slowly but surely upward. We have been particularly blessed this year by a bountiful harvest in the West. This means everything to us, for it will bring over $600,000,000 of new money into western Canada.

"All over the country there has been a slow accumulation of wealth; a gradual piling up of money; and the buying power of this country is now greater than it has been for some years.

"Added to this is the fact that mixed farming is beginning, only beginning, to come into its own. Beside this there are various new industries springing up, and the development of the pulp and paper industry in Manitoba will add materially to our wealth.

"Economy is an excellent thing; a very necessary thing, but it can be carried too far. There has been a dearth of buying on the part of the merchants for some years past, but this condition has been changed and merchants are buying more freely.

"The time has come when the merchant should be urged to buy in larger quantities, to keep up his stock to give the best service possible. This is the only way to head off unfair competition and to keep the business at the country points."

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**INCREASED ALBERTA ACREAGE**

LETHBRIDGE.—The alfalfa acreage in Canada shows an increase of 417,000 acres during the past five years. Last year the acreage was 655,000 acres, as contrasted with 238,000 acres in 1920. This increase is largely due to the fact that the irrigated areas of Southern Alberta have gone extensively into the growing of alfalfa seed of superior quality, which is disposed of to farmers at reasonable price.

# ABOLITION OF SALES TAX URGED BY MANUFACTURERS

## Claim Undue Advantage Given to United States Firms Under Present Taxes

The abolition of the sales tax and other relief from certain post-war taxation was urged at a meeting of the Executive Council of the Canadian Manufacturers' Association in Hamilton last week. It was argued that the sales tax is a burden upon business and is economically unsound. A special committee on taxation made the *following* recommendation.

"*Your* committee cannot urge too *strongly* that every effort should be made to rid the country of the sales tax. It is an utterly discredited form of taxation. Great Britain and the United States looked into it and refused to adopt it under any circumstances. The few countries that did adopt it are tired of it and are trying to get rid of it. Germany has recently cut her sales tax in two and France has made reductions and restricted the application of the tax.

"The tax discriminates unfairly between classes of producers and also between individuals in the same class. In some cases it hinders employment in Canada, but encourages employment in other countries. It increases the cost of living without providing the employment at home of both capital and labor that the corresponding tariff rate would furnish. It discourages immigration by adding to the cost of living in Canada. It discourages settlement on the land because it increases the cost of the farmer's buildings, equipment, and other necessities. It inflicts heavy loss on those manufacturers who are compelled through unfair trade conditions to absorb the tax.

"Your committee repeats that the first step to make in lightening the burden of taxation is to abolish the sales tax as soon as possible."

In connection with a number of other less important forms of taxation, certain recommendations were also brought in. It was urged that the stamp tax should be abolished in connection with drafts, receipts and other commercial documents, or should at least be reduced to a flat rate of 2 cents.

### Income Tax Adjustments Needed

Relative to the present rates of the income tax it was argued that the corporation rate which is now 10½ per cent. on the income of corporations exceeding $2,000 per annum should be reduced to the same rate as that applicable to the individual, i. e., 4 per cent. on incomes up to $6,000 and 8 per cent. on incomes up to $8,000, but without the surtax.

A comparative statement showing the differences between income taxation in Canada and the United States was appended to the report of the Special Committee on Taxation.

This statement laid emphasis on the *fact that the* United States has reduced *its war in*debtedness during the past five years at an average sum of $770,000,000 a year, and its income taxation, which already had been cut extensively, is reduced further by the new Revenue Act by about $370,000,000 income and excise taxes. This act, approved by the House of Representatives Dec. 14 last, will remove the names of 1,000,000 persons from Federal income tax rolls, it was stated. It is the third such reduction in the past five years. Under the new Revenue Act in the United States, exemptions are raised from $1,000 to $1,500 for single men, and from $2,500 to $3,500 for married men. Under the Canadian Income Tax Act the exemption is $1,000 for single men and $2,000 for married men.

The report continues:

"The normal tax rates are reduced from 2 per cent. to 1½ per cent. on the first $4,000; 4 per cent. to 3 per cent. on the next $4,000; 6 per cent. to 5 per cent. on the balance; while, under the Canadian Income Tax Act, the normal rate is 4 per cent. on net balance up to $6,000, and 8 per cent. on the amount by which the income exceeds $6,000.

"The new United States rates provide for a cut in the maximum surtax from 40 per cent. to 20 per cent., beginning with 1 per cent. up to a maximum of 20 per cent., as against 1 per cent., to 65 per cent., under the Canadian Act.

"While the income tax on corporations remains at 12½ per cent., as compared with 10½ per cent. under the Canadian law, the credits under the United States law are on a more liberal scale.

"Comparisons between taxation in Canada and in the United States are inevitable, because the countries are competitors in trade and for investing capital, and until the Dominion has reduced its scale of taxation it will be manifestly at a disadvantage in its effort to retain its native-born population.

"But it is in the deductions allowed from personal taxable income under the United States law that the most spectacular differences are seen. For example, all interest paid or accrued within the taxable year on indebtedness, losses sustained and not compensated during the taxable year, bad debts, or, alternatively, a reasonable addition to a reserve for bad debts, and contributions or gifts made within the taxable year are all allowable as deductions, etc.

"In the case of United States corporations, besides a specific exemption of $2,000, allowance is made from taxable income for all interest paid or accrued within the taxable year on its indebtedness, losses sustained during the taxable year and not compensated by insurance or otherwise, all bad debts, depreciation during the taxable year, etc. Business organizations not organized for profit are exempt.

"A stock dividend is not subject to tax, while under the Canadian Act it is treated as company profits and liable to income tax.

"The position is that the United States is doing exactly what Great Britain did after the Napoleonic Wars—consolidating its position and reducing its taxation in order to give every possible assistance to trade and commerce. The results are already apparent and tangible. In other words, the United States has set the pace and we must meet it.

"Great Britain, under its Finance Act of 1925, granted a reduction of the general income tax rate from 4s 6d to 4s in the pound, as well as additional reliefs and abatements to earned income."

# Canada's Position Sounder Than That of United States

## This Country's Progress Has Been Less Marked But Has Been Based on Firm Foundation

Special Correspondence

WASHINGTON.—Peeps into business future in Canada give convincing assurance that our production, trade and investment situation is as sound, if not sounder, at the present moment than that of any other country in the world. Certain it is that we are faced with no troubles akin to the inflation in France, the trade difficulties in Germany, the political puzzles in Italy, the unsettlement in Central Europe, the unemployment in the coal and shipping industries in Great Britain or the possible undue credit expansion in the United States.

Four weeks spent in moving around the triangle of Montreal, Ottawa and Toronto and meeting such varying groups as business men, politicians, bankers, editors and that elusive phantom—the man on the street—have renewed a confidence occasionally dampened by dreary reports in Canadian newspapers.

Canada continues on the highroad to prosperity—a pathway of sound and sane expansion and progress. It may not be recognized as the boom times to which we have been recurrently habituated during the past quarter of a century, but the conditions in primary and secondary production, in domestic and foreign trade, and in investment and commercial banking are ripe for a renewal of business confidence which will overcome some of the difficulties imposed by the public finances, railway deficits and sparse population.

The brief survey of conditions in the tabloid below reveals the high lights of Canadian and American business affairs during 1925.

### AGRICULTURE

| CANADA | UNITED STATES |
|---|---|
| Agriculture yielded the largest return since 1920 and has opened the door to improved business. Coarse grains were generally lower, but wheat was higher in price. The livestock industry is reverting to a sound foundation. Part of the increased farm purchasing power is being used to reduce outstanding debts and is not yet reflected in general business. | A smaller wheat crop and reduced shipments of live stock were experienced, although agricultural purchasing power was generally maintained. The farm population has not yet obtained the full measure of general prosperity. Production costs, mortgage debts, political panaceas and unsound business methods are several factors that are retarding agricultural progress. |

### PRODUCTION

| CANADA | UNITED STATES |
|---|---|
| There was a growth in general production in 1925 although plants are not working at capacity. Most industries showed improvement. Mining reached a new record of production. Building activity showed a minor growth, but its influence has not been reflected in subsidiary production. Consolidations of manufacturing concerns were current during the year and will enable the companies to meet public demand and foreign competition more effectively. A further influx of American capital to meet productive needs was evident. | According to the last report of the Federal Reserve Board all previous records for the volume of manufacturing, construction activity, output of steel ingots and production of automobiles and petroleum were broken in 1925. The manufacturing industries were generally prosperous with volume 30 per cent. greater than in 1919, with increased labor efficiency and with "luxury businesses" working night shifts. Important factors in inducing larger production have been the growth in building operations, hydro-electric developments and railroad capital improvements. |

### TRADE

| CANADA | UNITED STATES |
|---|---|
| Freight car loadings both for merchandise and other products are growing and indicate a resumption of trade and a lessening of the current hand-to-mouth buying. Foreign trade shows a continued increase in both exports and imports, and the favorable balance of exports will be one of the largest in our history. This balance and American loans are keeping our dollar at a practical parity of exchange. | Domestic trade has been the greatest ever known although there has been a decline in the favorable balance of export trade due to the inevitable readjustment in American international economic relations. Instalment buying took a good part of the domestic production off the market, especially in luxury goods. Lower gold imports are anticipated and there is some apprehension as to the liquidity of some of the trade and production credits. |

### BANKING

| CANADA | UNITED STATES |
|---|---|
| Expansion was experienced in call and short loans at home and abroad due to the growth in stock market transactions. Domestic demands for commercial credits were lighter, but firmed at the end of the year. Canadian banks are in an excellent position to finance legitimate requirements which will arise during the present year. An unprecedented amount of available banking assets awaits utilization. | Pronounced credit expansion was experienced in loans secured by stocks and bonds and a moderate increase in loans to trade and industry. The entire available credit supply is being utilized and increasing recourse will have to be had to rediscounts at the Federal Reserve Banks. Interest rates are showing a tendency to stiffen and the banking situation reveals the necessity of some restriction and discrimination in further expansion. |

### INVESTMENT

| CANADA | UNITED STATES |
|---|---|
| Bond issues are over one hundred millions less than in 1924. Retrenchment is evident in municipal capital expenditures by a decline of fifty millions in municipals. Railroad bonds are down one hundred millions. Corporation issues increased fifty millions. The stock markets have had the greatest activity of all times. | Capital issues will be about one billion dollars in excess of 1924, the increases being largely due to real estate, motors and accessories and foreign corporation financing. The stock market has had the greatest bull market in its history due to the easy money condition and to the exceptionally profitable conditions in general business throughout the United States. |

In every one of the above spheres of activity Canada is in a sounder position than the United States. It may be that there is a lag in improvement in Canada and that during the coming year we shall experience a high pitch of business prosperity in taking up the slack. On the other hand, expansion hinges on credit facilities as much as anything and, despite the supervision of the Federal Reserve Board in the United States, there is little reason to doubt that the managements of the Canadian chartered banks are in even a better position to control the orderly development of prosperity.

Indeed there has been evidence in the past—which has continued up to the present time—that the proverbial caution of Canadian bankers is one of the finest stabilizing influences in the country. In the past few years the sources of bank earnings have been largely confined to returns from investment securities and call loans rather than in the more profitable commercial loans. Rather than succumb to the temptation of contributing to the financing of unsound projects the banks have been content to await legitimate needs. The result is orderly growth, and, with the consolidation of resources and directorates, there will come the ability to direct still more carefully the business expansion on sound economic foundations. It is quite evident that Canada owes more than a pecuniary debt to the bankers.

Confidence in Canada is justified by the fact that we face in only minor degree the dangers in the United States. We have no such serious problems as possible recessions in construction and automobile production which may react seriously upon the American credit situation. We have no Florida boom to worry us nor undue instalment buying to threaten our domestic production. We have not had the excessive insecure mortgage bond and foreign securities flotations to make us uneasy. We have no threats of increasing imports of foreign goods for debt payments to leap over our tariff wall. We are not so expanded industrially that we cannot chuckle when we think of our natural resources and raw materials.

Perhaps at the present time it is better to be poor and happy than rich and fearful. Canadian achievement in war and peace are amazing and stand comparison with any country. Our export trade has increased 94 per cent. since 1913. Our economic activities are gradually balancing. Our growth is slow but sure and sound. Our raw materials, our agriculture, our mines and our forests are the envy of an over-industrialized world worrying about markets, tariff and loans.

Prudent economic expansion, less political grouching, and personal initiative plus vision will make Canada the Twentieth Century's best bet. Just now we cannot see the business forest for the political trees.

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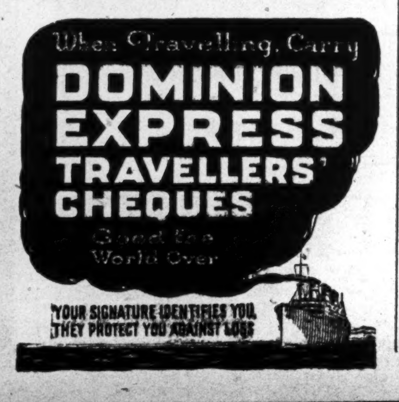

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# The Securities Markets

## CANADIAN STOCK MARKETS LED BY POPULAR ISSUES

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**Market Indicator**
**20 Industrial Stocks**

| | High | Low |
|---|---|---|
| Week of Feb. 3 | 92.6 | 88.1 |
| Week of Jan. 7 | 89.0 | 86.4 |
| Mth. of Feb., 1925 | 76.4 | 71.9 |

Under the stimulus of further buying of Brazilian Traction and Smelters, said to be sponsored by interests which have been indentified with the making of the market for Montreal Power and some other stocks which have had most successful careers, the whole Canadian market has moved forward during the week in a very impressive way. The large available supplies of money and improved business conditions in certain lines have provided a situation in which there are not only attractive speculative possibilities, but the necessary ammunition to carry on a bull market campaign. It is generally accepted now that market values have reached a level based on future rather than present business, and it remains to be seen in how far the prevalent market optimism will be justified by events. However, so long as money remains easy—and there is no indication of an early change in the situation—there would seem to be little danger of a general collapse.

In their recent forward movements the Canadian markets have been setting their own pace and Wall Street has been of little influence. American prices have shown a tendency to move sideways and this seems likely to continue until there is some development of major importance to encourage a further advance or to bring about a reaction. In fact the New York market has evidently lost some of its speculative attractions for the time being, at least, and it is definitely understood that the Canadian advance has been aided by buying for American accounts on the assumption that as Canadian stocks have as yet had a relatively smaller advance they have better chances for early appreciation.

As indicated in the following summary, advances were made in all the Canadian industrial groups during the week and also by the tractions; gains and losses were equal with the utilities and the majority of the banks showed declines, as attention was given to tbe industrials:

| | Gains | Loss | Unch. | Total |
|---|---|---|---|---|
| Banks .. .. ... | 2 | 5 | 2 | 9 |
| Paper .. .. .. .. | 12 | 2 | .. | 14 |
| Steel .. .. .. .. | 7 | 2 | 5 | 14 |
| Foodstuffs .. .. | 14 | 6 | 7 | 27 |
| Utilities .. .. .. | 6 | 6 | 6 | 18 |
| Tractions .. ... | 7 | 1 | 2 | 10 |
| Textiles .. ..... | 6 | 2 | 2 | 10 |
| Industrials .. .. | 19 | 6 | 2 | 27 |
| Totals .. .. .. | 73 | 30 | 26 | 129 |

In the paper group Abitibi was an outstanding feature, moving up about 8 points. Belgo, Brompton, Price, Howard Smith and Spanish also made nice gains. There is a general feeling that the paper industry is in for better things and that the danger of over-production is passing. The statement of policy of Premier Taschereau, on behalf of the Quebec government, which is distinctly favorable to the established companies, has also been a factor in the investment attitude towards the paper companies.

With Steel of Canada selling up to 99, other members of the Steel group have shown strength, although advances have been comparatively small. In relation to some of the other groups the performance of the steels has been rather disappointing and this is pointed to as an indication that the outlook is not yet bright for some of the country's most important industries.

There has been a good demand for stocks in the foodstuffs group with a majority of the stocks showing advances and some of the specialties, like Shredded Wheat, performing in a spectacular way. This stock continued its advance to 212. Ogilvie made a nice gain in the milling section. Western Grocers sold off to lower levels.

In the utilities Brazilian Traction was the feature. Under heavy buying this stock advanced to close to 95. Twin City also performed well but Duluth-Superior showed no response to the annual report. Bell Telephone and Consumers Gas were less popular and were inclined to sell off. Generally changes, outside of some of the tractions, were not important.

Canadian Pacific has advanced in a most impressive way and has inspired a good deal of confidence in the market. It is realized that the company's subsidiaries, including Consolidated Smelters, have been making very favorable profits and that the company's future is being safeguarded by these outside investments.

The majority of the textile stocks have shown comparatively small but satisfactory advances and this is true also of the miscellaneous industrial group. Crows Nest Coal was an exception, selling up over 20 points on realization that the coal strike was favorably affecting its fortunes.

### Rumors of Mergers for Canada "Steamers"

From Our Own Correspondent.

MONTREAL.—There has been talk of a merger between the Canada Steamship Lines and other transportation companies on the Great Lakes. There is nothing to indicate the authenticity of these rumors, but Financial Service of Montreal sums up the situation in one of its bulletins thus:

"A rumor is current to the effect that there may be a linking up of Canadian Great Lakes transportation lines. This will depend largely on the attitude of James Playfair, who owns the Great Lakes line, and is largely interested in the George Hall and other companies.

"Mr. Playfair is the acknowledged operating genius for freighters, and if the craft of Canada Steamships were included with the other vessels, it is obvious that very great savings in overhead would be possible, and further that the Canadian boats could put up a concerted fight against the U. S. boats which often skim the cream from the grain trade.

"Mr. Playfair would be the administrator of operations for the freight end of the combine, and it is altogether probable that Horace B. Smith, of Canada Steamships, who has made a great success of the passenger service on the Upper Lakes, would take hold of the passenger end of the trade. The chief obstacle at the moment is the "dewatering" of Canada Steamships to a point where it can enter the merger economically, it is understood."

### Imperial Oil Shares in Better Condition in Canada

In reviewing the year's operations of the Imperial Oil Company in Canada at the annual meeting of the company, President C. O. Stillman said: "The marketing branch of our business has been generally as satisfactory as the earlier months of the year seemed to prophesy. Crop conditions in the West, until harvest time, were most propitious, but inclement weather during the weeks which are usually the peak-load distribution period so curtailed the use and distribution of petroleum products as to indicate for some time a serious setback. Much of the loss was picked up, however, in the closing months of the year, and as, notwithstanding some damage, the crop was almost completely saved and the outlook for the forthcoming year is unusually bright.

The results of the harvest have been manifested in our business not only by the large volume of sales of all products but by the increased percentage of cash sales and the marked liquidation of customers' liabilities to us. Should we be fortunate enough to harvest a similiarly successful crop in 1926 and to this is added a continuation of the present activity in mining, forestry and general industry, that Canada is due for a period of expansion and prosperity such as we have not experienced since prewar days. In this long-deferred situation it is hoped our company, as one of the major enterprises of the Dominion, will be a beneficial participant.

### EXCHANGE FIRM PARTNER

Grant Johnston and Co., members of the Montreal Stock Exchange, announce that Hugh A. Johnston has been admitted as a partner of the firm. Business will be carried on under the same title with the following partners: Grant Johnston, Ralph C. Bulman, and Hugh A. Johnston.

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## C.P.R. WILL SHOW MORE THAN 12% ON THE COMMON

### Possible Increases in Special Income May Augment Figure Considerable

From Our Own Correspondent.

MONTREAL.—That the Canadian Pacific Railway will have earned over 12 per cent. on its common stock for the year ending December 31, 1925, is indicated in the net profits derived from the road during the past year, which amount to $40,154,775, as compared with $37,227,241 in 1924.

The C. P. R. pays 7 per cent. on its common stock from income derived from the operation of its road; the remaining 3 per cent. is derived from income from other sources. The company earned on its common stock last year 11 per cent. and the figure of over 12 per cent. given above is simply a rough estimate, taking it for granted that fixed charges and the income derived from other sources will stand at the same level as they did at the close of 1924. However, there are indications which would lead to the belief that the income derived from sources other than the operation of the road will be in excess of the $9,971,252 earned last year. Should there have been a decided increase in this, which is known as special income account, the earnings on the common stock will be considerably in excess of the 12 per cent. quoted above.

**Gross Earnings Unchanged**

During the first part of the year, the company's earnings took a decided drop as compared with the preceding year, but the bettered harvest during the summer compensated for the poorer showing at the beginning of the year and made the gross earnings slightly higher than in 1924. The comparison of gross earnings and working expenses and net profits is interesting, for it reveals that, whilst the gross has moved upwards, but little, the working expenses show the effect of careful operation and have been decreased by more than $2,000,000. This it was, which brought about the handsome increase in the net showing.

The figures for the month of December and for the twelve months ending 1925, compare as follows:

| Dec. | 1925 | 1924 | Inc. |
|---|---|---|---|
| Gross ..... | $ 19,818,544 | $ 15,690,171 | 4,128,375 |
| Wk. exp. .. | 14,991,762 | 11,960,870 | 3,030,882 |
| Net prof.., | 4,826,792 | 3,729,301 | 1,097,490 |
| Year | 1925 | 1924 | Inc. |
| Gross ..... | $183,356,005 | $182,502,156 | 853,849 |
| Wk. exp. .. | 143,201,229 | 145,274,914 | *2,073,684 |
| Net prof... | $ 40,154,775 | $ 37,227,241 | 2,927,533 |

*Decrease.

The stock has recently shown strength, selling up above 150.

### C.P.R. is Doing Well on Its Outside Investments

In recommending the purchase of C. P. R. shares to their clients, Greenshields & Co., in a current circular, say, in part: Two of the company's important outside investments have materially improved their position. It is estimated that the Soo Road of which some $19,000,000 par value of common and preferred stock is held, will show earnings of about 15.6 per cent. on the preferred in 1923, against 0.16 per cent. in 1924. The president of this line is optimistic on 1926 results. An income of about $1,330,000 was at one time received from this investment, and the possibility of the resumption of preferred dividends at least in the near future is not out of the question. On a basis of last year's annual report, we estimate C. P. R.'s holdings of Consolidated Mining & Smelting common stock are in the neighborhood of 230,993 shares. The recent bonus of $5 a share in addition to the regular dividend means an increase of approximately $1,000,000 to the company's special income, and at 180 we estimate that the value of this holding has increased in one year over $30,000,000. The value of this investment alone is about 15 per cent. of C. P. R.'s total stock capitalization.

### Courtaulds May Become Largest Company in G.B.

MONTREAL.—There is as yet but little investment interest in the shares of rayon companies in Canada, but in view of the recent establishment of a rayon plant at Cornwall, Ontario, by Courtaulds, Canadians are taking more interest in this section of the textile industry, which has shown such astounding growth.

The parent company of the Cornwall plant is Courtauld's of England, and it is interesting to note this forecast recently made in the Wall Street Journal:

"The company that has been showing the highest percentage and increase in its profits is Courtauld's—the artificial silk firm. It made $19,000,000 in 1925. At its present rate of growth it will be the largest company in Great Britain in two or three years."

This is of special interest, as Canadian pulp firms are selling more and more sulphite to the rayon industry.

## BRAZILIAN MAY SELL TELEPHONE LINES OUTRIGHT

### Increased Phone Rates Would Mean a Higher Purchase Price

From Our Own Correspondent.

MONTREAL.—Public interest continues to centre on Brazilian Traction; possibly one of the causes for the tremendous number of shares which have changed hands during the past week is the fact that the company may dispose of its telephone systems in Rio and Sao Paulo—indeed one rumor indicates that the telephone subsidiary has actually passed into the hands of the American Telegraph and Telephone Company at a price in the neighborhood of $30,000,000.

However, the company is at present endeavoring to increase its rates for telephone service and, while the system, as it stands, would be worth say $25,000,000, its value would be increased by about $5,000,000 should Brazilian be able to procure a revision of its tariffs.

There seems no reason to doubt that the company would be very willing to part with this portion of its assets; it is thought that this rumor may be fairly accurate but possibly a little premature. This is the opinion of those who endeavor to keep in touch with the activities of the company.

One factor which would influence Brazilian in the sale of its telephone system is the fact that if this utility were acquired by others, it would mean fewer negotiations with the government—as far as a public utility is concerned, a thing greatly to be desired.

The present boiling market for the stock might indicate that most of the buying is for quick speculation, but on the other hand, it is known that a considerable portion of the transfers are for investment purposes. In other words, investors believe that Brazilian is a good buy for the "long pull."

The coming year will see the completion of Brazilian's hydro-electric programme. This in itself means much, for these hydro developments have been built up, not through new financing, but by ploughing back earnings. In fact, due to a variety of circumstances during the past few years, this was really the only feasible way for Brazilian to obtain funds.

In the past five years, almost $14,000,000 in earnings has gone back into the company and since its inception in 1912, about $75,000,000 has been reinvested in plant.

Brazilian has been steadily pursuing the course which built up Montreal "Power" to its present strength; this together with a possibility of an improvement in the international standing of the milreis, and the future earnings from electric developments leads to the belief that Brazilian is an excellent hold for a "long pull"—the rise in prices in future, however, will probably be slow, for it can not be thought that the directors will pursue any policy which would entail a very rapid increase in dividend rates. Of course, the only thing which holds Brazilian below par is the fact that it is situated in a foreign country.

### Goodyear Tire Secured Rubber at Lower Price

As there is some uncertainty still with regard to the probable action by the British on the Stevenson restriction plan, and while there is an indicated shortage in certain markets, it is understood that the Goodyear Tire and Rubber Company will withhold payment on back dividends on the preferred stock until further light is thrown on the situation.

Those holding securities of the Goodyear Tire and Rubber Company are interested in the reference to the raw rubber situation made in the last annual statement of the company by the president:

"The rubber market during our past fiscal year has been very unusual. Prices have risen from in the neighborhood of about 27 cents to the high point of $1.26 per pound and at the close of the fiscal year crepe spot rubber was selling at 96 cents per pound. Your company is covered for quite some time on crude rubber at very much lower than the prevailing prices. Other provisions have been made to safeguard the company against fluctuations."

A Decade of Progress

| | 1915 | 1925 |
|---|---|---|
| INSURANCE IN FORCE ........ | $10,401,232 | $27,678,678 |
| TOTAL ASSETS .......... | $ 2,522,375 | $ 5,461,791 |
| TOTAL INCOME .......... | $ 511,155 | $ 1,228,655 |
| PAID TO POLICYHOLDERS. | $ 99,545 | $ 529,761 |

On this foundation and with up-to-date policies and business methods, substantial progress is assured during 1926 and following years.

The NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO - ESTABLISHED, 1897

## ASBESTOS CORP. SHARE EXCHANGE ALL ARRANGED

### Securities to be Exchanged Immediately — Views on Future Outlook

MONTREAL.—The Asbestos Corporation of Canada has turned over to the new merged company all its assets and has received in return the following securities of the new Asbestos Corporation:

| | |
|---|---|
| 6% General mortgage bonds ..... | $4,000,000 |
| 7% Non-cumulative pref. shares.. | 4,100,000 |
| No par value common stock..shs. | 77,000 |

The old company has notified its shareholders that they may now turn in their stock in exchange for the new issues. Each preferred share will be exchanged for one new $100 general mortgage bond, 1/5 share new preferred plus one and one tenth shares of new common. The common shares in the old corporation will be exchanged for one and one tenth shares of new preference plus one and one tenth shares of new common. The shareholders of the corporation who are thus entitled to fractional shares in the new corporation may either sell or purchase fractional holdings on a basis of $75 for the new preference and $25 for the new common.

Next week the bondholders of the old corporation will be notified that they may turn in their 5 per cent. bonds and receive in exchange, par for par, 6 per cent., 15 year bonds in the new company. When all these exchanges have been completed, the outstanding capitalization of the new corporation will be approximately as follows:

| | |
|---|---|
| 6% 1st mortgage bonds.......... | $3,000,000 |
| 6% Gen'l. mortgage bonds ....... | 4,800,000 |
| 7% Non-cumulative pref. shares... | 7,500,000 |
| No par val. com. stock ........shs. | 200,000 |

Dealing with the prospects of the new Asbestos Corporation, the firm of Mathewson, McLennan and Molson, of Montreal, will issue a bulletin which will say in part:

"The new merger will be directed by the present management of the Asbestos Corporation of Canada, which has been so successful in building up the latter company. In addition, there are three trustees—F. P. Jones, J. W. McConnell, and A. F. White—who hold the management shares with power to elect the board of directors until 1931. This should ensure control remaining in this country.

"The companies composing the merger were previously capitalized at approximately $30,000,000, and the Asbestos Corporation of Canada at $10,000,000, whereas it is to be noted that the total bonded debt of the new company is only $7,800,000, followed by $7,500,000 of 7 per cent. non-cumulative preferred shares. The total remaining equity is represented by the 200,000 no-par value shares.

"The earnings of the new company based on an average production, and after taking into account the increased price being charged for their product, are estimated to be sufficient, after sinking fund, depreciation, etc., to pay the bond interest, preferred dividend, and leave a substantial sum for the common.

"A fortunate feature is that the Asbestos Corporation of Canada had just completed the second unit of their new low-cost producing mill. The merger company are concentrating production at this new mill and closing down the higher cost ones.

"Granting the non-cumulative preferred shares pay the full 7 per cent. dividend—and there is every reason to expect this—and considering the equity and earning power in the no-par value common, it would seem that the present Asbestos Corporation of Canada shares are too low-priced. The merger has been carried through on very conservative lines, there is no watered stock, and the management is sound, conservative and experienced. This merger stabilizes the industry and places the new corporation in a commanding position."

### TOWN OF BARRIE DEBENTURES FOR SALE

Tenders are invited for the purchase of $113,000 debentures of the Town of Barrie, to be dated, February 15th, 1926, payable at the Bank of Toronto, Barrie, in fifteen annual instalments, with interest at five per cent. The debentures are guaranteed by the County of Simcoe and are issued to defray cost of pavement on Provincial Highway through Barrie.

Tenders will be received by the undersigned up till 4 p.m. of the 15th day of February, 1926, subject to the following conditions:

1. Debentures are a direct liability on the Town at large and are unconditionally guaranteed by endorsement by the County of Simcoe.
2. The debentures will be issued in denominations to suit the purchaser with coupons for interest attached.
3. Legal opinion of Mr. E. G. Long, K.C., will be supplied by the Town.
4. The highest or any tender not necessarily accepted.

A. W. SMITH,
Treasurer,
Town of Barrie.

BRAZILIAN AS INVESTMENT

WE have prepared a special bulletin dealing with the Common Stock of the above Company, both from an investment standpoint and from that of possible future increase in value.

Copy supplied without charge on application

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MEMBERS MONTREAL STOCK EXCHANGE
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MAin 8170

### Hudson's Bay Company Has Big Undertakings for Canada

Extensive developments by the Hudson's Bay in Canada are announced from London. They pertain to the whole of the country west of Winnipeg, and will absorb the $2,000,000 in new capital that the company is raising.

An icebreaker is to be constructed, to be known as the Bay Rupert, and will be completed by July of this year for the Hudson Bay route. Provision is made for the purchase of sites for additional buildings in Edmonton, Saskatoon and Regina. Some of these sites have already been purchased, and in the case of Vancouver the new store buildings are well towards completion.

In addition to the new buildings in Vancouver and the extensions of premises in Alberta and Saskatchewan, the company is at present erecting on Portage Avenue, Winnipeg, one of the largest stores in Western Canada, the estimated outlay involved being between five and six million dollars.

Early inauguration of immigration operations is also announced to be undertaken by the Hudson's Bay Company Overseas Settlement, Limited.

The Consolidated Mining & Smelting Co., reports ore receipts at its Trail Smelter for the third week of January amounting to 11,884 tons, and for the first three weeks of the year, 28,781 tons.

### DEBENTURES FOR SALE

The town of Uxbridge offers for sale by tender closing at noon on February 23rd, 1926, the balance of an issue of ten year, instalment, concrete pavement debentures, bearing five and one-half per cent. interest.

The original issue was for $29,000.00 dated Dec. 15, 1924, and the first debenture thereunder which matured on Dec. 15, 1925, has been paid by the Town out of taxes raised in 1925. The debenture so paid being for $2,252.37 principal, and $1,595.00 interest, totalling $3,847.37.

Tenderers are to assume all legal expenses. The highest or any tender will not necessarily be accepted.

M. H. CROSBY, Esq.,
Town Clerk,
Uxbridge, Ontario.

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# Iron and Steel

## MASSEY-HARRIS SHAREHOLDERS HAVE PROPOSAL

### Think That New Preferred Issue Should Be Cumulative

Although approving of the general principle of the proposal to reorganize the capital of the Massey-Harris Company, by splitting the present common shares into new preferred and common shares, the shareholders who assembled at the annual meeting were not favorable to the plan in the form it was submitted to them. The proposal of the directors was that the capital of approximately $25,000,000 should be divided equally into issues of non-cumulative preferred shares and common shares.

The suggestion put forward by the shareholders was that the decision on the plan should be deferred and that the directors consider the creation of a block of cumulative preferred stock. This suggestion was accepted and another meeting will be held to confirm the suggested arrangement.

Thomas Bradshaw, the general manager of the company, explained that the idea of the directors was to give the shareholders a stock holding on which dividends could be anticipated within a reasonably short time. It was the intention that the holders of the preferred shares should have the same voting power as those in possession of the common. He stated that not only did the directors plan to declare a dividend on the new preferred as soon as possible but to have the shares listed on the Toronto and Montreal stock exchanges.

**The Brighter Outlook**

Reviewing the affairs of the company, Mr. Bradshaw expressed the belief that the company was facing the brightest prospect in five years. The Massey-Harris Company operates in practically every country in the world. Its return to prosperity is therefore a reflection not only of conditions in Canada, but also to the general improvement in the world's affairs. Sixty-two per cent. of the company's sales in 1925 were in overseas countries. The increase over 1924 in the volume of sales in these countries was 29 per cent., and the value of the goods sold the greatest since the year 1920. The company's net profit for the year of $1,411,173, an increase of approximately $1,324,000 over 1924, was realized, Mr. Bradshaw said after every known loss and full depreciation had been allowed for.

Sales in Canada during the past year amounted to approximately $7,500,000. An interesting feature of the Canadian business and one which reflects the prosperity of the Canadian farmer was the fact that the cash business done was 71 per cent. of the whole.

European sales showed an increase of 32 per cent. In 1924 a loss was experienced in European business amounting to about $228,000. In 1925 this was turned into a profit of $13,000.

**Recovery in Sales**

The president, J. A. Shenstone, in summing up the year's work, said that since 1921 the sales of farm implements in Canada have been following a general downward curve, but in 1925 the sales of the Massey-Harris Company were about even with those of 1922. "In other words," said the president, "in one year we have regained about 75 per cent. of our losses in sales since 1921. Sales figures have increased in every branch of the business at home and abroad. The comeback has been tangible and real. We are to-day employing more men than we have for several years. Better prospects for the farmer mean better prospects for us and for most Canadian industries. For this reason I believe that a period of general prosperity is coming to Canada."

## Canadian Car & Foundry to Get $2,000,000 Order?

From Our Own Correspondent.

MONTREAL.—Large car orders for the Canadian Car and Foundry Company have long been generally expected; it is said that the company has closed a contract with the Canadian Pacific Railway for rolling stock of every kind which will amount to something like $2,000,000. As yet this news has received no official confirmation, but the stock exchange prices for the shares have responded to this stimulus.

This would be the second big order which the company has received this year. The first was an order amounting to approximately $1,000,000 for fifty street cars placed by the Montreal Tramways Company.

## Miners to Negotiate For Two-Year Contract

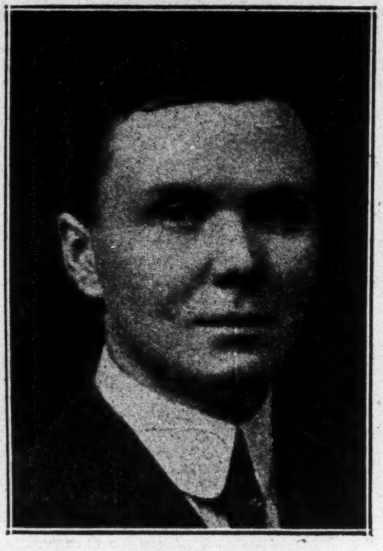
From Our Own Correspondent.

MONTREAL.—The miners employed by the British Empire Steel Corporation have decided to enter into a two-year wage and working contract which provides that maintenance men, in the event of a strike, will not be withdrawn from the property.

The miners have also voted in favor of adopting, as a basis of negotiations with their employers, the report handed down by the Royal Commission investigating the coal mining industry in Nova Scotia.

The Duncan report, upon which the men are basing their negotiations with Besco, recommends a long contract at the rate of wages prevailing in 1922 somewhat below, in some instances, the rate in effect when the last contract expired in January, 1925.

When the negotiations between Besco and its employees are finally successfully completed, the Corporation should be able to settle down to steady production for at least two years; this should have a decidedly beneficial effect on earnings.



T. A. RUSSELL

Who has been appointed as a member of the board of directors of the Mutual Life Assurance Company of Canada, in succession to the Hon. Vincent Massey, who recently resigned.

## LOANS FROM THE GOVERNMENT ARE HARD TO COLLECT

### That is the Experience With the Scheme in Saskatchewan

From Our Own Correspondent.

REGINA.—While collections of the Saskatchewan Farm Loan Board showed some improvement during the period covered by the annual report just submitted, the board is still far from satisfied with the spirit manifested by many of the borrowers. Referring to these borrowers the report says:

"Prior to 1924 the board had acquired title to 59 farms. More borrowers abandoned their farms during 1924 and title was acquired by the board of 72 additional farms and ten farms were sold during the year. Many of the farms now on hand are rented on a share crop basis.

It seems difficult or impossible for some borrowers to realize that the board was established without any funds of its own and that in order to make a loan to an applicant the board has first to borrow the money for the applicant and has to undertake to pay interest on the money so borrowed and that the board has no means of paying interest on the money borrowed for an applicant excepting from the money to be paid by the applicant himself to the board; and that if he defaults in payment to the board he compels the board to default in payment of interest on the money borrowed for him and that by so doing he is injuring the credit of the board and making it more difficult for the board to secure the necessary funds to make loans at 6½ per cent. to the thousands of other farmers who are still paying from 8 per cent. to 10 per cent. on their mortgage indebtedness.

"Every effort is being put forth to impress upon the borrowers the necessity of dealing fairly with the board and to respect its rights as first mortgages, and to deal fairly with their fellow farmers who are still waiting to secure 6½ per cent. money, and it is gratifying to note that there has been some improvement.

**Advances to Borrowers**

A considerable amount of money has been advanced by the board to its borrowers for seed grain, taxes and hail insurance premiums and collections on these have improved. On December 31st, 1923, the board was indebted to the provincial treasurer for a total amount of $218,487, of which $159,906 was for taxes, $37,029 for seed grain, $21,550 for hail insurance premiums. During 1924 advances were made of $128,778 for taxes, $32,060 for hail insurance premiums, $11,362 for seed grain, a total of $172,201, but on December 31, 1924, the total amount outstanding for these was $202,543, or $15.944 less than a year ago, notwithstanding the amounts advanced during the year.

In the matter of interest on advances for working capital the board owed the provincial treasurer on December 31st, 1923, the sum of $302,316 and on December 31st, 1924, $198,229, showing a net improvement over 1923 of $104,087.

On the four major items, seed grain, taxes, hail insurance premiums, and interest, there is a betterment of $120,031 over the preceding year.

### UNLISTED SECURITIES

| Industrials, Utilities, etc.— | Bid | Asked |
|---|---|---|
| Brooks Steamer (1 pref, 2 com.) | 4 | 6 ½ |
| Can. Machinery, com | 3 ½ | 4 |
| Can. Machinery, pref | 12 | 16 |
| Can. Westinghouse, com | 157 | 165 |
| Cockshutt Plow, pref | 56 | 58 |
| Cosgrave Brewery | 4 | 5 |
| Dom. Combing (1 pref, 2 com) | 33 | .. |
| Dom. Power, pref | 93 | 96 |
| English Electric, com | 14 | 16 |
| English Electric, pref | 58 ½ | 60 |
| Gunns, Ltd., pref | 38 | 41 |
| Godfredson Truck, com | 24 | 26 |
| Imperial Tobacco | 5 ¾ | 6 ½ |
| King Edward Hotel, Deb. A | 74 | 77 |
| King Edward Hotel, Deb. B | 56 | 59 |
| K. & S. Tire, pref | 10 | 13 |
| Loew's Toronto, com | 25 | 32 |
| Loew's London, com | 2 ½ | 3 |
| Loew's Ottawa, pref | 10 | 13 |
| Massey-Harris | 69 ½ | 71 ½ |
| Mount Royal Hotel, com | 6 ½ | .. |
| Mount Royal Hotel, pref | 35 | 41 |
| North Mexico Power, com | 50 | 53 |
| R. Simpson, pref | 100 | 101 ½ |
| Willard's, pref | 71 | 74 |
| Loblaw Groceterias, com | 54 | 56 |
| Capital Life 25% Paid | 21 | 25 |
| Continental Life 20% Paid | 33 | .. |
| Crown Life | 120 | .. |
| Empire Life | 22 | .. |
| Excelsior Life 25% Paid | 40 | .. |
| Great West Life | 350 | .. |
| Imperial Life | 180 | .. |
| Monarch Life 10% Paid | 16 ½ | 19 |
| Manufacturers Life 20% Paid | 85 | .. |
| Montreal Life 20% Paid | 28 | .. |
| National Life 25% Paid | 47 | 55 |
| Re-insurance | 12 | 15 |
| Security Life 40% Paid | 30 | 35 |
| Sovereign Life 25% Paid | 21 | 25 |
| Sun Life 50% Paid | 240 | .. |
| Comm. Finance, pref | 60 | 62 ½ |
| Comm. Finance, com | 11 | 13 |
| Manfrs. Finance, 50% com | 6 ¼ | 7 |
| Mortgage Dis., pref | 7 ¼ | 8 |
| Toronto Finance, pref | 5 | 6 |

# Food Products

## B.C. Packing to Show Big Increase in Profits

Operating profits in the neighborhood of $570,000 for 1925, compared with $129,153 in 1924, are expected to be shown in the annual report of the B. C. Fishing & Packing Company. A meeting of eastern directors was held this week at which a preliminary balance sheet was considered. From the 1925 earnings referred to, deductions for depreciation and taxes would have to be allowed and, as these are likely to run into $200,000 or $250,000, the surplus would be in the neighborhood of $350,000. It is understood that the statement shows the company to be in a particularly strong liquid position with quick assets representing over $50 per share and no bank loans.

Any decision as to a dividend distribution will be reached by a meeting of the full board to be held in Vancouver.

## Slight Upward Trend In Milling Securities

February has opened favorably for most of the milling stocks, although no material rises have taken place this week. There is normally a lull at this time, when most of the flour has been contracted for, and business is more or less routine. At the present time, however, any indications there are in the wheat market, are for higher levels and the result is that the flour market has remained firm, some rises being reported. An apparently smaller visible supply of wheat in the Chicago market has caused a weakness there, but it is the general feeling that this is only a temporary matter. A decrease of more than 2,000,000 bushels was anticipated in the United States visible, but the official figure is placed at only 884,000 bushels. There has been a decline in the expected export surplus of Argentina in the face of a larger demand from Europe. The final estimate of the Canadian crop is somewhat smaller than previous estimates, although the difference alone is not sufficient to make any market difference.

## Record Year for Salmon is Expected in B.C.

PRINCE RUPERT. — Indications are that there will not be an idle cannery in the northern district this year and that a number of new canneries will be erected. In addition to those mentioned recently to be built at Queen Charlotte Island, the erection of a new cannery is planned by W. J. Jefferson at or near Captains Cove.

The Prince Rupert Cannery, operated by the Canadian Fish & Cold Storage Co., is to operate this year and renovation will commence directly. The Wallace Fisheries have purchased the Mill Bay Cannery and the Somerville Cannery. The Canadian Fishing Co. has acquired the Kumeon Cannery on the Naas River from the receivers of the Northern B.C. Fisheries.

# Stock Market Record

### WEEK ENDING FEBRUARY 2

| | Div. Rate | Yield Feb. 1 | High for wk. | Low for wk. | Close Feb. 2 | Close Jan. 26 | Sales for wk. | Range 1926 High | Range 1926 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12+1 | 5.79 | 224 ¼ | 223 | 224 ¼ | 224 | 193 | 226 | 223 |
| Dominion | 12+1 | 5.96 | 218 ½ | 218 ½ | 218 ½ | 219 | 10 | 219 | 215 ¼ |
| Can. Nationale | 10 | 6.23 | 160 ½ | 160 | 160 ½ | 162 | 88 | 170 | 160 |
| Imperial | 12+1 | 6.04 | 215 | 215 | 215 | 215 | 139 | 215 ⅛ | 211 |
| Montreal | 12+2 | 5.38 | 262 | 258 ½ | 261 | 260 | 85 | 262 | 258 ½ |
| Nova Scotia | 16 | 5.58 | 286 | 286 | 286 | 286 | 40 | 286 | 281 |
| Royal | 12+2 | 5.54 | 255 ⅛ | 251 ¾ | 252 ½ | 255 | 75 | 255 ⅛ | 248 ¼ |
| Standard | 12 | 6.03 | 200 | 199 | 199 | 199 | 54 | 200 | 198 |
| Toronto | 12 | 5.44 | 220 ½ | 220 | 220 | 221 ½ | 61 | 222 | 213 |
| **Paper—** | | | | | | | | | |
| Abitibi, com | 4 | 4.67 | 85 ½ | 74 ½ | 82 ¼ | 75 | 28791 | 85 ½ | 71 ½ |
| Do. pref. | 7 | 6.14 | 110 | 109 ¾ | 109 ¾ | 114 | 6 | 116 | 109 ¾ |
| Belgo-Can., pref | 7 | 6.96 | 100 ½ | 98 ¾ | 100 | 97 ¼ | 690 | 100 ½ | 95 ¾ |
| Brompton | | .... | 31 ⅛ | 27 | 30 ½ | 27 | 13735 | 31 ⅛ | 26 |
| Laurentide | 6 | 6.68 | 89 ¾ | 87 ½ | 88 ⅜ | 88 ¼ | 4633 | 89 ¾ | 84 ¾ |
| Price Bros., com | 2 | 3.22 | 62 | 60 ¾ | 62 | 60 | 415 | 62 | 57 |
| Do. pref. | 6 ½ | 6.80 | 96 ⅜ | 95 ½ | 96 | 95 ½ | 283 | 96 ⅜ | 95 ½ |
| Prov. Paper, com | 6+1 | 7.00 | 101 ½ | 100 | 101 ⅛ | 101 | 65 | 101 ½ | 100 |
| Do. pref. | 7 | 6.76 | 103 ½ | 103 ½ | 103 ½ | 101 ¼ | 65 | 103 ⅜ | 101 ¼ |
| Smith, Howard, com | | .... | 53 | 44 | 52 | 44 | 4823 | 53 | 38 |
| Do. pref. | 8 | 8.04 | 99 ½ | 98 ½ | 99 | 99 | 414 | 99 ½ | 92 ¾ |
| Span. River, com | 7 | 6.48 | 108 | 104 ½ | 107 | 105 ¼ | 6451 | 108 | 102 ¾ |
| Do. pref. | 7 | 5.88 | 119 | 116 ½ | 119 | 115 | 735 | 119 | 114 ¼ |
| St. Maurice Paper | 6 | 5.66 | .. | .. | .. | .. | .. | 106 | 104 ½ |
| Wayagamack | | .... | 80 | 80 | 80 | 81 | 5 | 83 | 73 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B.E. Steel, com | | .... | 3 | 2 ¾ | 2 ¾ | 2 ¾ | 40 | 3 ⅛ | 2 ⅜ |
| Do. 1st pref | | .... | 28 ½ | 28 | 28 ½ | 28 | 405 | 30 | 27 |
| Do. 2nd pref | | .... | 9 ½ | 8 ½ | 8 ½ | 9 ½ | 2140 | 10 ¾ | 8 |
| Can. Car & Found.,com | | .... | 49 | 44 ½ | 47 | 46 | 2310 | 49 | 33 |
| Do. pref | 7 | 8.23 | 85 | 83 ½ | 84 ¾ | 84 ¾ | 1610 | 85 ½ | 73 |
| Can. Foundries, pref | | .... | 44 | 44 | 44 | 41 ½ | 10 | 44 | 41 ½ |
| Can. Gen. Elec., com | | .... | .. | .. | .. | .. | .. | 51 | 51 |
| Do. pref | 7 | 6.08 | 58 | 57 ½ | 57 ½ | 57 ½ | 52 | 58 ½ | 57 |
| Canada Iron, com | | .... | .. | .. | .. | .. | .. | 10 | 10 |
| Do. pref | 4 | .... | .. | .. | .. | .. | .. | 40 | 40 |
| Can. Locomotive, pref | 7 | 8.97 | 79 ⅞ | 78 | 79 | 77 | 65 | 79 ⅞ | 73 |
| Dominion Coal | | .... | 41 | 41 | 41 | 41 | 10 | 41 | 40 ½ |
| Dominion Iron, pref | | .... | .. | .. | .. | .. | .. | 24 | 20 |
| Dominion Bridge | 4 | 4.39 | 96 | 91 | 94 ¾ | 93 | 1065 | 96 | 80 |
| Dom. Radiator, pref | 7 | 6.79 | .. | .. | .. | .. | .. | 103 | 103 |
| Dom. Steel Corp., pref | | .... | .. | .. | .. | .. | .. | 24 | 24 |
| Ontario Steel, com | 4 | 5.59 | .. | .. | .. | .. | .. | 71 ½ | 70 |
| Do. pref | 7 | 6.96 | .. | .. | .. | .. | .. | 100 ½ | 100 ¼ |
| Russell Motor, com | | .... | 39 ½ | 39 ½ | 39 ½ | 39 | 50 | 40 | 39 |
| Do. pref | 7 | 8.04 | 88 | 87 | 88 | 85 ¼ | 52 | 88 | 82 |
| Steel of Canada, com | 7 | 7.07 | 99 | 95 ¾ | 99 | 95 ⅞ | 1784 | 99 | 95 ⅛ |
| Do. pref | 7 | 6.04 | 115 ¾ | 115 ¾ | 115 ¾ | 115 ¾ | 39 | 116 ½ | 114 |
| **Milling and Foodstuffs—** | | | | | | | | | |
| Atlantic Sugar, com | | .... | 29 ¼ | 28 ½ | 29 | 29 | 1865 | 32 ⅞ | 28 |
| Do. pref | | .... | .. | .. | .. | .. | .. | 88 | 81 |
| B.C. Fishing | | .... | 59 ¼ | 57 ½ | 58 ½ | 58 | 920 | 61 ¼ | 57 ¼ |
| Canada Bread, com | | .... | 59 ½ | 59 | 59 ½ | 60 | 85 | 61 | 59 |
| Do. pref. (A) | 7 | 6.36 | 110 | 110 | 110 | 108 | 17 | 110 | 106 |
| Do. pref. (B) | 7 | 7.21 | 97 | 96 ½ | 97 | 96 ½ | 175 | 97 | 96 ¼ |
| Can. Canners, com | | .... | 13 ½ | 13 | 13 | 13 ½ | 185 | 15 | 13 |
| Do. pref | | .... | 65 | 64 | 64 ¼ | 63 ½ | 638 | 67 ¾ | 62 |
| Canadian Salt | 8 | 5.92 | .. | .. | .. | .. | .. | 135 | 131 |
| Christie Biscuits, com | | .... | .. | .. | .. | .. | .. | 63 ½ | 62 |
| Can. Bakeries, com | | .... | 34 | 33 | 33 | 34 ½ | 32 | 36 | 33 |
| Do. pref | 7 | 7.29 | 96 | 95 | 96 | 95 ¾ | 125 | 96 ¼ | 95 |
| City Dairy, com | 12 | 3.72 | 81 | 78 ⅞ | 80 | 78 ½ | 1308 | 81 | 75 |
| Do. pref | 7 | 6.36 | .. | .. | .. | .. | .. | 110 | 107 |
| Cuban Can. Sugar, com | | .... | 5 | 4 | 5 | 5 | 95 | 5 | 3 ½ |
| Do. pref | | .... | 24 ½ | 24 | 24 ½ | 24 ½ | 50 | 24 ½ | 24 |
| Dominion Stores, com | 1.00 | .... | 67 ½ | 67 | 67 | 66 ½ | 55 | 67 ½ | 65 |
| Do. pref | 8 | 6.95 | 115 | 112 | 115 | 112 | 48 | 115 | 106 |
| Wm. Davies (A) | | .... | 36 ¼ | 35 | 36 ¾ | 35 | 196 | 37 ¼ | 34 ¾ |
| Inter. Milling, pref | 7 | 6.73 | 104 ½ | 104 | 104 ½ | 104 | 233 | 105 | 102 ½ |
| Lake of Woods, com | 12 | 6.85 | 175 | 173 | 175 | 175 | 26 | 175 | 172 |
| Do. pref | 7 | 6.03 | .. | .. | .. | .. | .. | 116 | 116 |
| Maple Leaf Mill, com | | .... | 81 | 80 | 80 | 80 | 85 | 88 | 80 |
| Do. pref | 7 | 7.00 | 100 | 100 | 100 | 100 | 269 | 102 | 100 |
| Ogilvie Flour, com | 5 | 3.57 | 194 | 186 | 193 ½ | 187 | 1030 | 194 | 175 |
| Do. pref | 7 | 5.64 | 124 | 124 | 124 | 123 ½ | 6 | 124 | 123 ½ |
| Pure Gold Mfg. | 50c | .... | 21 ½ | 21 ½ | 21 ½ | 22 | 5 | 22 ¼ | 21 ½ |
| Shredded Wheat | 10 | 4.97 | 212 | 198 ⅛ | 212 | 195 | 267 | 212 | 169 ½ |
| St. Law. Flour, com | | .... | 44 | 43 | 44 | 44 | 90 | 45 | 39 ½ |
| Do. pref | 7 | 8.51 | .. | .. | .. | .. | .. | 82 ¼ | 82 ¼ |
| West. Can. Flour | 8 | 6.95 | 115 | 115 | 115 | 115 | 75 | 115 ½ | 114 |
| Western Grocers, com | | .... | 7 | 5 ¾ | 5 ¾ | 6 ⅛ | 482 | 13 ¼ | 5 ¼ |
| Do. pref | | .... | 52 | 50 | 51 | 53 | 516 | 64 | 49 ½ |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 5.64 | 140 ½ | 139 ½ | 139 ⅜ | 140 ⅛ | 1000 | 141 | 139 |
| Consumers Gas | 10 | 5.60 | 179 | 177 | 177 | 179 ½ | 37 | 180 | 174 ½ |
| Inter. Utilities (A) | 87 ½c | .... | 38 | 37 ¾ | 38 | 38 | 105 | 38 | 37 ½ |
| Do. (B) | | .... | .. | .. | .. | .. | .. | 9 ¼ | 9 ¼ |
| Jamaica Pub. Ser., pref | 7 | 7.10 | 98 ½ | 98 ½ | 98 ½ | 97 ½ | 25 | 98 ½ | 97 ½ |
| Laurentide Power | 5 | 4.54 | .. | .. | .. | .. | .. | 110 | 110 |
| Mackay, com | 7 | 5.14 | 137 | 135 ½ | 136 | 136 | 211 | 138 ½ | 135 ½ |
| Do. pref | 4 | 5.44 | 73 ⅛ | 72 | 73 | 73 | 352 | 73 ½ | 72 |
| Mexican Light, com | | .... | .. | .. | .. | .. | .. | 30 | 29 ½ |
| Mont. L. H. & Pr. Cons. | 8 | 3.68 | 219 ⅞ | 215 ½ | 216 | 217 ½ | 6552 | 219 ⅞ | 212 ⅜ |
| Montreal Telegraph | 8 | 6.40 | 50 | 50 | 50 | 50 | 4 | 51 ½ | 50 |
| Ottawa L. H. & Pr., com | 6 | 6.12 | 98 | 98 | 98 | 98 | 171 | 98 | 97 ½ |
| Do. pref | 6 ½ | 6.19 | 105 | 104 | 104 | 105 | 40 | 105 | 102 |
| Quebec Power, com | 5 | 4.18 | 121 | 119 | 119 ½ | 120 | 433 | 123 | 113 |
| Do. pref | 7 | 6.30 | 111 | 110 ¼ | 111 | 110 | 60 | 116 | 109 ⅞ |
| Shawinigan | 8 | 4.70 | 170 ½ | 169 | 170 | 170 ¼ | 538 | 171 ½ | 167 ½ |
| South. Can. Power,com | 2.00 | 2.27 | 88 | 88 | 88 | 88 | 80 | 90 ½ | 83 |
| Do. pref | 6 | 5.97 | 101 | 100 | 100 ½ | 100 | 45 | 101 | 100 |
| **Transportation—** | | | | | | | | | |
| Can. Pacific Rly. | 10 | 6.51 | 163 | 147 ½ | 163 | 147 ½ | 1888 | 163 | 147 |
| Can. Steamships, com | | .... | 12 | 11 ½ | 11 ½ | 12 ¾ | 217 | 13 ¼ | 11 ⅛ |
| Do. pref | | .... | 65 | 59 | 62 | 59 | 14343 | 65 | 56 |
| **Tractions—** | | | | | | | | | |
| Barcelona | | .... | 28 | 27 ¾ | 28 | 28 | 70 | 29 | 27 |
| Brazilian, com | 5 | 5.34 | 94 ¾ | 87 | 94 ¾ | 85 ⅜ | 105417 | 96 ¾ | 80 |
| Do. pref | 6 | 6.10 | 98 ¼ | 98 ¼ | 98 ¼ | 97 ½ | 2 | 98 ½ | 97 ½ |
| Detroit Un. Rly. | | .... | 3 | 3 | 3 | 3 | 1 | 3 ¼ | 3 |
| Duluth-Superior | | .... | 29 ½ | 29 | 29 | 29 ¼ | 231 | 31 ½ | 29 |
| Montreal Trams. | 10 | 5.71 | .. | .. | .. | .. | .. | 178 | 175 |
| Ottawa Traction | 4+1 | 7.93 | 63 ½ | 63 | 63 ½ | 63 | 270 | 63 ½ | 63 |
| Porto Rico Rlys, com | | .... | 41 | 41 | 41 | 41 | 135 | 41 ½ | 40 |
| Do. pref | 7 | 8.04 | .. | .. | .. | .. | .. | 89 | 87 |
| Twin City, com | 4 | 5.11 | 78 ¼ | 74 ⅛ | 78 | 77 ¼ | 3797 | 79 ½ | 74 ⅛ |
| Winnipeg Elec., com | 1 | .... | 54 ⅜ | 50 ½ | 51 ½ | 50 ¼ | 15407 | 54 ⅜ | 46 ½ |
| Do. pref | 7 | 7.19 | 97 ¼ | 96 | 97 ¼ | 96 | 41 | 97 ¼ | 95 |
| **Textiles—** | | | | | | | | | |
| Can. Conn. Cotton, pref | 4 | .... | .. | .. | .. | .. | .. | 49 | 46 ½ |
| Can. Converters | 7 | 7.44 | 94 | 93 | 94 | 93 ½ | 221 | 94 | 92 |
| Can. Cotton, com | 8 | 6.50 | 123 | 123 | 123 | 123 | 10 | 124 | 121 |
| Do. pref | 6 | 6.15 | 97 ½ | 96 | 97 ½ | 97 | 118 | 97 ½ | 95 |
| Can. Woollens, pref | | .... | 50 | 50 | 50 | 50 | 27 | 50 | 50 |
| Dom. Textile, com | 5 | 5.37 | 93 ¾ | 92 | 93 ½ | 92 | 1050 | 95 ½ | 91 ½ |
| Do. pref | 7 | 5.73 | 122 | 122 | 122 | 121 | 25 | 122 | 119 |
| Monarch Knitting, pref | | .... | 45 ⅛ | 45 ⅛ | 45 ⅛ | 50 | 20 | 50 | 45 ⅛ |
| Montreal Cottons, com | 6 | 5.71 | 105 | 105 | 105 | 103 ½ | 102 | 105 | 103 ½ |
| Do. pref | 7 | 6.14 | .. | .. | .. | .. | .. | 114 ⅛ | 112 |
| Penmans, com | 8 | 4.31 | 186 | 185 ½ | 185 ½ | 184 | 303 | 186 ½ | 180 |
| Do. pref | 6 | 5.82 | 103 | 103 | 103 | 104 ¼ | 15 | 104 ¼ | 103 |
| Wabasso Cotton | 4 | 6.15 | .. | .. | .. | .. | .. | 65 | 65 |
| **General Industrials—** | | | | | | | | | |
| Amer. Salesbook, com | 4 | 5.75 | 69 ½ | 69 | 69 ½ | 69 | 52 | 69 ½ | 64 |
| Do. pref | 7 | 7.44 | 94 | 93 ½ | 94 | 93 ½ | 55 | 94 ½ | 92 |
| Asbestos Corp., com | 6 | 6.38 | 94 | 88 ½ | 93 ½ | 89 | 1415 | 94 ½ | 88 ⅛ |
| Do. pref | 6 | 5.19 | 115 ½ | 113 | 115 ½ | 113 | 802 | 116 | 113 |
| Brantford Cordage, pref | 8 | 7.54 | [illegible] | 26 | 26 ½ | 26 ¾ | 159 | 27 ½ | 26 |
| Burt, F. N., com | 12 | 4.47 | 67 | 61 | 65 ¼ | 61 | 1464 | 67 | 61 |
| Canada Cement, com | 6 | 5.70 | 106 ⅞ | 105 | 106 | 106 ⅞ | 1451 | 106 ⅞ | 101 ¾ |
| Do. pref | 7 | 5.85 | 119 ½ | 119 | 119 ½ | 120 | 17 | 120 | 115 ½ |
| Cons. Rubber, pref | 7 | 8.09 | .. | .. | .. | .. | .. | 86 ½ | 86 ½ |
| Can. Indust. Alcohol | 1.28 | 7.31 | 17 ½ | 16 ⅞ | 17 ¼ | 17 | 4268 | 18 ½ | 16 ¼ |
| Crows Nest Coal | 6 | 9.02 | 81 | 60 | 81 | 60 ½ | 686 | 81 | 51 |
| Dom. Glass, com | 7 | 7.44 | 94 | 91 ½ | 93 ½ | 92 | 755 | 94 | 85 |
| Do. pref | 7 | 6.57 | 106 ½ | 106 ½ | 106 ½ | 106 | 30 | 106 ½ | 106 |
| Eastern Theatres, com | | .... | 25 ¼ | 24 ¾ | 25 ¼ | 25 | 114 | 25 ¼ | 18 ¾ |
| Do. pref | 7 | 8.43 | .. | .. | .. | .. | .. | 83 | 83 |
| Gilman, com | 6 | 5.71 | 105 | 105 | 105 | 105 | 60 | 106 | 105 |
| Do. pref | 7 | 6.14 | .. | .. | .. | .. | .. | 114 ½ | 113 ½ |
| Goodyear Tire, pref | 7 | 7.29 | 96 ½ | 95 ¾ | 95 ¾ | 97 | 78 | 97 | 93 ½ |
| Holt, Renfrew, pref | 7 | 8.18 | 85 ½ | 85 ½ | 85 ½ | .. | 30 | 85 ½ | 85 ½ |
| Lyall Construction | | .... | 35 | 28 ½ | 33 ½ | 20 | 2540 | 35 | 20 |
| National Brew., com | 4 | 6.66 | 60 ¾ | 56 ¼ | 60 | 56 ½ | 20327 | 60 ¾ | 56 |
| Do. pref | 7 | 6.60 | .. | .. | .. | .. | .. | 106 | 106 |
| National Brick, com | | .... | .. | .. | .. | .. | .. | 12 ½ | 12 ½ |
| Do. pref | 7 | 10.14 | 69 | 69 | 69 | 68 | 10 | 71 ½ | 67 ½ |
| Pacific Burt, com | 6 | 5.83 | 103 ½ | 102 ¾ | 102 ¾ | 102 | 360 | 103 ½ | 90 ⅜ |
| Do. pref | 7 | 6.37 | 109 ¾ | 109 | 109 ½ | 107 | 130 | 109 ¾ | 102 |
| Port Hope Sanitary, com | | .... | 80 | 77 | 80 | 75 ½ | 60 | 80 | 74 ½ |
| Rogers, Wm., com | | .... | 63 | 55 | 63 | 53 | 229 | 63 | 45 |
| Do. pref | 7 | 7.48 | 93 ½ | 93 | 93 ½ | 92 ¼ | 85 | 93 ½ | 90 ¼ |
| Sherwin-Williams, com | 6 | 4.68 | .. | .. | .. | .. | .. | 131 | 128 ⅛ |
| Do. pref | 7 | 6.16 | 113 ½ | 110 ½ | 110 ½ | 114 | 75 | 114 | 112 ½ |
| Sterling Coal | 4 | .... | 39 | 39 | 39 | 39 | 10 | 39 | 37 |
| Tuckett Tobacco, com | 4 | 6.15 | .. | .. | .. | .. | .. | 65 | 65 |
| Do. pref | 7 | 6.84 | 102 ¼ | 102 ¼ | 102 ¼ | 102 ½ | 100 | 102 ½ | 102 |
| Wood Mfg., Com. | | .... | .. | .. | .. | .. | .. | 41 | 39 |
| Do. pref | 7 | 8.86 | 79 | 78 ½ | 79 | 78 ½ | 90 | 79 | 71 ¾ |
| **Trust and Loan—** | | | | | | | | | |
| Canada Landed | 10+1 | 5.61 | 98 | 98 | 98 | 98 | 30 | 100 | 95 |
| Can. Permanent | 12 | 5.88 | 205 | 203 | 204 | 205 | 23 | 205 | 202 ½ |
| Colonial Invest. | 6 | .... | .. | .. | .. | .. | .. | 4 | 4 |
| Hamilton Prov. | 10 | 6.36 | .. | .. | .. | .. | .. | 157 | 157 |
| Huron & Erie | 7 | 5.38 | 130 | 129 | 130 | 129 | 20 | 130 | 127 ½ |
| Landed Banking | 9 | 6.16 | .. | .. | .. | .. | .. | .. | .. |
| Montreal Loan | 12+1 | 6.50 | .. | .. | .. | .. | .. | 50 | 50 |
| National Trust | 12 | 5.00 | 240 | 240 | 240 | 238 | 40 | 240 | 235 |
| Ontario Loan | 11 | 5.23 | .. | .. | .. | .. | .. | 105 | 103 ½ |
| Real Estate Loan | 7 | 8.23 | .. | .. | .. | .. | .. | .. | .. |
| Toronto Gen. Trusts | 12 | 5.33 | .. | .. | .. | .. | .. | 225 | 225 |
| Toronto Mortgage | 10+1 | 5.88 | .. | .. | .. | .. | .. | 93 ½ | 93 ½ |
| Union Trust | 7 | 7.77 | .. | .. | .. | .. | .. | .. | .. |

### THE CURB MARKET

| | Div. Rate | Yield Feb. 1 | High for wk. | Low for wk. | Close Feb. 2 | Close Jan. 26 | Sales for wk. | Range 1926 High | Range 1926 Low |
|---|---|---|---|---|---|---|---|---|---|
| Brit. Amer. Oil | 8+2 | 4.80 | 52 | 50 | 52 | 50 ⅜ | 1639 | 53 ½ | 50 |
| Can. Oil, com | 1 ¼ | .... | 67 | 66 | 67 | 69 ½ | 55 | 74 | 65 |
| Do. pref | 8 | .... | .. | .. | .. | .. | .. | 100 | 100 |
| Continental Oil | 25c | 1.00 | 24 | 23 ½ | 24 | 24 | 93 | 26 | 23 ½ |
| Dryden Power | | .... | 7 ½ | 7 | 7 ½ | 7 | 130 | 7 ¾ | 6 |
| Good. & Worts | 6 | 2.92 | 205 | 205 | 205 | 201 | 10 | 205 | 193 |
| Imperial Oil | 1.00 | 2.63 | 38 | 36 ¾ | 37 | 36 ⅞ | 2640 | 38 ½ | 35 ¼ |
| Inter. Petroleum | 75c | 2.20 | 34 ¼ | 33 ½ | 34 | 34 ½ | 1460 | 35 | 31 ⅞ |
| Manitoba Power | | .... | 42 | 40 ½ | 42 | 39 ½ | 1857 | 42 | 24 |
| Power Corp. | | .... | 28 | 27 ¼ | 28 | 27 ¼ | 1424 | 28 | 24 ½ |
| North Star Oil, com | | .... | .. | .. | .. | .. | .. | 1.00 | 1.00 |
| Do. pref | 7 | .... | .. | .. | .. | .. | .. | 4.75 | 4.50 |
| Simpsons, pref | 6 | 5.94 | 101 | 101 | 101 | 101 | 90 | 101 | 101 |
| St. Maur. Power | | .... | 78 | 77 | 77 | 78 | 47 | 78 | 77 |
| Volcanic Oil | 62c | .... | 28 ½ | 28 ½ | 28 ½ | 28 ½ | 250 | 29 | 28 ½ |
| Brit. Con. Oil | | .... | 19 ¼ | 18 ⅞ | 19 | 19 ½ | 1495 | 19 ½ | 18 ⅞ |
| Cockshutt Plow, pref | | .... | .. | .. | .. | .. | .. | 62 | 62 |
| Illinois Power, pref | | .... | 96 ⅜ | 96 ½ | 96 ⅜ | 96 ½ | 17 | 96 ⅜ | 96 |
| North Mex. Power | | .... | 51 ½ | 50 ¼ | 51 ½ | 52 | 315 | 55 | 50 ½ |
| Asbestos, new, com | | .... | 23 | 20 | 23 | 20 | 200 | 24 ½ | 20 |
| St. Law. Power | | .... | 36 ¾ | 36 ¾ | 36 ¾ | 36 ½ | 50 | 36 ¾ | 36 |

$87.00 Cast to the Winds every Minute!

In 1925, 2371 firms failed in Canada, owing $45,767,825.00. Think of it—over $87.00 every minute.

The 1926 losses are just beginning. *Don't you contribute to them.* Protect your book accounts *now*, with

**Credit Insurance**

This broad, tried-and-proved service is even more than *protection;* it *prevents* losses, through our superior Collection facilities.

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CANADIAN DIVISION
The AMERICAN CREDIT-INDEMNITY COMPANY
of New York — J. F. McFadden, President

R. J. MULLEN, General Manager for Canada.

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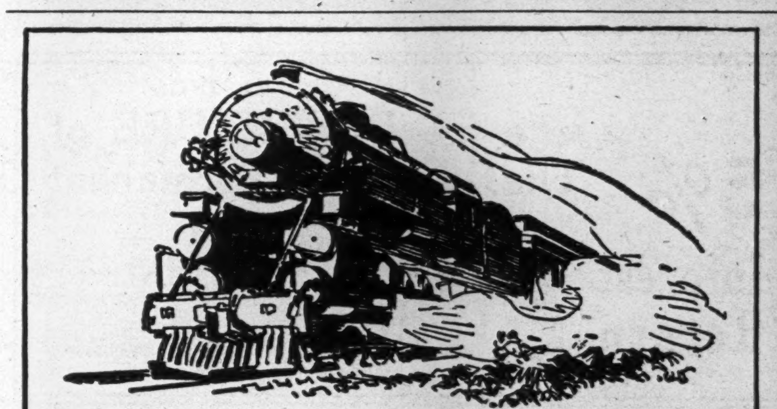
Phone—Main 4316

Montreal Office:
Canada Cement Bldg.
Phone—Lancaster 3258

KR128



Lehigh Valley Service
to
NEW YORK

TRAVELLING via the Lehigh Valley, you may leave Toronto via Canadian National Railways at 5.40 p.m., arriving in New York at the Pennsylvania Station, in the heart of the City, at 8.20 a.m., dining car serving breakfast. Returning, the Toronto Express leaves New York at 6.20 p.m. with club car and arrives Toronto 8.53 a.m.

Tickets, reservations, and information at City Ticket Office, Canadian National Railways, or Lehigh Valley Office, 13 King Street West, Toronto. Phone Elgin 2214.

Lehigh Valley Railroad
The Route of The Black Diamond

**PORT ALFRED PULP & PAPER CORPORATION**

HEAD OFFICE:
INSURANCE EXCHANGE BUILDING
MONTREAL, P.Q.
*Mills at* PORT ALFRED, P.Q.

**Canadian Paperboard Company Limited**
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

**The Laurentide Company**
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GRAND'MERE - QUEBEC

*MAPLE LEAF Anti-Freeze*

The sale of "Maple Leaf Anti-Freeze" is more than all other brands combined.

Don't say "Anti-Freeze," say "MAPLE LEAF ANTI-FREEZE"

*Sold in all first-class Garages, Service and Filling Stations.*

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
Distributing Warehouses:
MONTREAL — CORBYVILLE — TORONTO — WINNIPEG — VANCOUVER

**ACCUMULATIVE BONDS**

The interest on amounts invested in these Bonds is COMPOUNDED half-yearly. As compared with interest at the same rate paid half-yearly, and probably spent as received, this compounding of interest means a considerably greater return to the investor. The Bonds are issued as required in sums of $100.00 and upwards. Interest commences the date the money is received. $390.60 invested in these Bonds to-day will amount to $500.00 at the end of five years.

Any further information desired will be cheerfully furnished on request.

CANADA PERMANENT 70 YEARS 1855-1925
Established 1855

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET - TORONTO, 2
Assets exceed $47,000,000.00

INVEST YOUR SAVINGS
**in a 5% DEBENTURE of The Great West Permanent Loan Company**

**5% Interest Return**

SECURITY

| | |
|---|---|
| Paid-up Capital | $2,414,663.00 |
| Reserves | 1,100,000.00 |
| Assets | 6,184,420.00 |

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

## PAYMENTS IN WEST BEST SINCE 1920

### Better Security Being Offered and Smaller Loans Being Asked, Says Dr. Argue

WINNIPEG.—Collections in the prairie provinces last fall were the best they have been since 1920, says Dr. George W. Argue, managing director of the International Loan Company, in discussing the past season's business of the company. The demand for money on farm loans has been moderate; nevertheless the company has been able to loan during the year slightly more than its collections. "A noticeable feature," says Dr. Argue, "is that the class of security offered is better, and the loans sought are on the whole smaller."

The subscribed capital of the company now stands at $4,202,500, which is an increase of $130,900 over the preceding year. The paid-up capital now stands at $606,000, showing an increase of $55,000. First mortgage securities show an increase of $85,000. Total assets show an increase of $68,000, while there is a marked decrease of real estate on hand of more than ten per cent. compared with last year's statement. All organization expenses have been paid and the company has paid a total of 63 per cent. in dividends since its inception in 1913, and has no liabilities to the public.

The company has a total of $606,000 invested in mortgage securities and at the close of the year had $34,000 cash in banks which, with other assets, made a total of $690,000 assets against which there are no liabilities.

During the past season Dr. Argue traveled about 15,000 miles, principally in Manitoba and Saskatchewan. Farmers generally, he says, are very much more optimistic and conditions show remarkable improvement over the previous two or three years. He believes the coming season will be a prosperous one and if the west is fortunate in growing another fair average crop, its come-back will be completed.

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### LETHBRIDGE NORTHERN DOES WELL

EDMONTON.—Total field crop production on the Lethbridge Northern irrigation district for 1925 was $1,031,000, according to a statement issued. This is treble the value of production on the project the year previous, so far as the irrigated lands are concerned. The production quoted above was obtained from 36,958 irrigated acres. The value of dry land crops on the project was $200,769.45.

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# *Pulp and Paper*

## ANOTHER 500-TON PAPER PLANT FOR NORTH. ONTARIO

### Kimberly-Clark People Will Spend Around $15,000,000 on Kapuskasing Plans

The first of a program of new pulp and paper developments in Ontario, expected to involve in all $80,000,000 in the next year or so, as announced by Hon. Chas. McCrea, minister of mines, has been started. Spruce Falls Co. will spend $12,000,000 to $15,000,000 on a 500 ton paper mill at Kapuskasing, a 50,000 h.p. development at Smoky Falls and will build a logging railway from Kapuskasing to Smoky Falls, a distance of 50 miles. A start has already been made on the railway.

Kimberley-Clark Co., Neenah, Wisconsin, one of the oldest manufacturers of paper in the United States, is behind the venture. It was conceived and organized by J. H. Black, a well known Northern pioneer.

The expectation is that the carrying out of the plans will ultimately result in a $20,000,000 expenditure and the gradual expansion of Kapuskasing to the present size of Iroquois Falls.

The paper plant will be of 500 tons capacity, the same size as the Abitibi plant is now. Another important result of this development is that it will mean a tremendous increase in the tonnage handled by the T. and N. O. and Canadian National in this vicinity. Each night, the 500 ton paper mill of Abitibi provides a 20-car train for the T. and N. O. The Kapuskasing mill will just double this.

**Ready by Nov. 1**

The railway line, already under construction, will be standard gauge and will carry the power development equipment north to Smoky Falls on the Mattagami River. It is the intention to employ the line as a logging railway afterwards. It will connect with the Transcontinental at Kapuskasing. Messrs. Morrow and Beattie are the contractors and the line will be ready by Nov. 1.

The agreement which Mr. Black on behalf of the Kimberly-Clark people, made with the government, calls for a minimum expenditure of $12,000,000. The company's timber rights include 4,700 square miles north and south of the Transcontinental in Kapuskasing vicinity.

Besides setting up a very substantial community at Kapuskasing, the new concern will be of much benefit to the country in attracting settlers. It will provide a ready market for settlers' wood, and such developments in the north have always been productive of many small settlements.

**Financing May Follow**

At the present time the venture is owned 100 per cent. by the Kimberly-Clark Co., according to Mr. Black. It is possible that at a later date some public financing may be done.

Kimberley-Clark Co. was incorporated in 1907, in Wis., but was first established as a partnership in 1872. Business consists principally of pulp and paper manufacturing. The property of the company consists of pulp, paper and chemical manufacturing plants located at Neenah, Appleton, Kimberly, Niagara, all in the state of Wisconsin, with a daily capacity of 320 tons sulphite and mechanically ground wood pulp, 22 tons bleach, 295 tons paper and twelve tons caustic soda. Plants of subsidiaries controlled by the company, located at Niagara Falls, N.Y., and in Ontario, Canada, bring the daily capacity to 470 tons pulp and 445 tons paper. This entire production of paper and caustic soda, and part of this production of pulp, is manufactured for sale. Company itself and its subsidiaries own 16,500 developed h.p. water power, and control under lease for a long period, 6,500 h.p. water power, without reference to their Canadian water powers.

During the past 20 years the company has also made large investments in timber lands, insuring a sufficient supply of raw materials to meet its requirements on the basis of present production for more than 25 years. The company's subsidiaries include William Bonifas Lumber Co., which owns a large acreage of timber lands in northern Michigan; North Star Timber Co.. which owns a large acreage of timbered lands in Minnesota; Kimberly-Clark Co., Inc., which owns a large pulp and paper mill at Niagara Falls, N.Y., Spruce Falls Co., Ltd., owning timber leases covering a large area and water power leases in Ontario, Canada, and which has constructed a large sulphite pulp mill; Cellucotton Products Co., manufacturing sanitary supplies; and Neenah-Menasha Water Power Co.

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## Association Reaffirms Stand on Export Tax

From Our Own Correspondent.

MONTREAL.—The Canadian Pulp and Paper Association at the annual general meeting held in Montreal reaffirmed the resolution which was passed last year calling upon the government to impose a duty on all logs and pulpwood exported. The following is a portion of the resolution which was again re-adopted unanimously by the meeting this year:

"Resolved, that until some more efficient means of control can be agreed upon as practical, an adequate export duty should be imposed upon all logs and pulpwood exported from Canada; that such duty should be imposed upon a graduated basis, increasing annually, so as to permit the interests affected due opportunity for necessary adjustments; that the proceeds of such duty should be devoted as far as possible to the work of conservation and protection of our forests.

"That this association desires to give its assurance to the governments, federal and provincial, that it will extend its fullest co-operation to all necessary measures to provide an adequate market for farmers' and settlers' wood;

"That the continued study of this all-important question be urged upon the several authorities to the end that our forest resources be conserved as far as possible and ultimately utilized for the development of home industries."

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## OLD COMPANIES IN PAPER FIELD TO BE PROTECTED

### Premier Taschereau's Important Statement to P. & P. Association

From Our Own Correspondent.

MONTREAL.—"I believe that we are very close to over-production and that new firms should not be encouraged too much, and that established firms, which have built up this province should be protected to the fullest extent," said Hon. L. A. Taschereau, Premier of Quebec, in an address at the President's dinner of the Canadian Pulp and Paper Association last week. There were many notable features in Mr. Taschereau's speech in addition to the foregoing. He said also that the government of Quebec would be glad to have the opinion of the pulp and paper manufacturers with regard to further competitors coming into the province. Obviously Mr. Taschereau is willing to co-operate with the manufacturers to prevent as far as possible the possibility of over-production in the newsprint industry. He also stated that new contracts entered into by the provincial government now provided that only 80 per cent. of the annual forest production should be cut. He further suggested that it might be advisable in the future for the government to lease the timber limits in such a way that they could be operated in ten, fifteen or twenty years, so that established firms in this province may have a reserve upon which to draw in the future, at the same time protecting the future of the forest industry of the province.

**Asks Free Entry for Paper**

The Premier also asked for free entry of all grades of Canadian paper into the United States. He said:

"If Americans object to an embargo on pulp wood from private lands, the way to prevent such an embargo is to give free entry to all paper entering the United States from Canada."

These words followed a review of the pulpwood embargo question in which he pointed out that fully 50 per cent. of the pulpwood supplied by the Province of Quebec came from private lands.

Mr. Taschereau referred to the provincial government's policy of establishing dams and barrages to regulate the flow of water in the rivers and thus assisting the industry; he said this would be continued.

He dealt also on the question of rayon companies coming to Quebec and said that all these companies had to do would be to rap on the door, and it would be wide open for any interests which proposed utilizing the output of the pulp mills in this manner.

Two things the Premier asked of the paper men; firstly, that they cooperate with the local government and not operate the plants, as he termed it, eight days a week, in other words, Sunday must be observed. And, secondly, that the companies utilizing the immense natural resources in the province will be called upon to help the cause of education. He indicated, however, that the burden imposed upon the companies would be light.

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## Earnings of Abitibi Are Moving Upward

From Our Own Correspondent.

MONTREAL.—The steady buying of the stock of Abitibi Power and Paper Company, which has moved prices upward, is attributable to the belief of a steady improvement in the company's financial position. It is rumored that earnings for 1925 will be a little better than in the preceding year, at which time they amounted to $10.95 on the common. The 1923 earnings amounted to $9.59, and the 1922 to $7.24 on the common stock.

It is understood also that the statement for the financial year just ended will show a reduction of about $750,000 in the outstanding funded debt.

Again, the listing of the stock in New York has considerably broadened the market; at first there was little trading in the stock there, but, recently, it has been traded in to a considerable extent, which no doubt has been a large factor in the appreciation in prices.

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## Price Brothers & Co. Earnings Improving

From Our Own Correspondent.

MONTREAL.—The fiscal year of Price Brothers and Company ends at the close of this month. It is said that the company has been having an excellent year and that good financial results have been obtained. Earnings on the company's lumber business are also understood to have undergone an improvement. The completion of the company's Riverbend mill last December will mean that Price Brothers' expansion programme is temporarily halted. This should allow the company to concentrate all its efforts in the reduction of costs. Incidentally, Price Brothers has always been a low-cost producer.

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## Howard Smith Paper Position Has Improved

From Our Own Correspondent.

MONTREAL.—It is understood that the Howard Smith Paper Mills has experienced generally better business in 1925 and that the domestic business was better than in 1923, a good year.

The company's export trade has proved satisfactory and better prices have prevailed. The determined economies made by the management, coupled with the passing of the common dividend, have resulted in a decided betterment of the company's financial position. In the forthcoming annual statement the company's bank loan will be substantially lower and earnings before special write-offs will amount, it is anticipated, to 6 per cent. on the common.

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### INTERNATIONAL PAPER

NEW YORK.—The first offering of seven per cent. preferred stock to the employees of the International Paper Company has resulted in the purchase of $720,000 par value by 2,000 employees, it was announced at the head office here to-day.

The plan permits the purchase of stock on the deferred payment plan and also provides for bonuses of from one to five dollars a share at a progressive annual rate over a five-year period.

It was intimated in the announcement that there might be additional offerings in the future "in line with the company's plans for improving the status of its employees."

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## Public Utilities

# RECORDS BROKEN BY THE ADDITIONS TO POWER PLANTS

### Past Year's Increase Spectacular—Will Increases in Capacity be Continued?

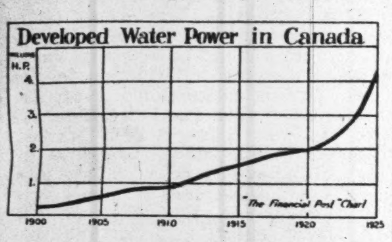
From Our Own Correspondent.

MONTREAL. — There seems no limit to the demand for hydro electric energy in Canada. During the year 1925, the increase in the total generating capacity of the hydro electric plants far exceeded that of any previous year. The actual details of the progress of this industry in Canada are presented in a bulletin of the water power branch of the Department of the Interior whose records show that the immense total of 719,000 horsepower was added to the capacity of Canadian water power plants in 1925; this brings the total capacity of the hydro electric generating stations in the Dominion up to 4,290 000 horsepower.

That the long continued annual increase in water power development will be maintained seems assured, for, during the early part of the present year at least another 250,000 horsepower will be added to the various generating stations.

**Big Project Finished**

The past year is of special interest, not only due to the large increase in installed capacity of the electric developments, but also through the completion of a number of large projects which have been under construction for some time. Of these the most important are the Duke-Price Power plant on the Saguenay River in Quebec, which brought into operation 360,000 horsepower and whose plant has an ultimate capacity of 540,000 horsepower and the Ontario Hydro-Electric Power Commission's addition of 110,000 horsepower to its Queenston development, bringing that plant up to its full capacity of over 500,000 horsepower.



While the present year is not expected to witness as large an increase as the past, yet there are many projects of magnitude now under way or projected which will provide substantial additions in the next year or two. These include the 800,000 horsepower development recently commenced at Chute-a-Caron on the Saguenay River by the Aluminum Company of Canada, and a project of almost the same ultimate proportion on the Bridge River in B. C., by the British Columbia Electric Railway Company. There are numerous other developments of lesser capacity which have either been commenced or are in early prospect, so that there seems every assurance of the continued growth of the industry.

During the year the Province of Quebec added more to its installations than all others combined; additions in this province total 438,300 horsepower.

**Addition to Electric Output**

There follows a table showing the various additions made during the year and also those to be added in 1926:

**HYDRO ELECTRIC INSTALLATIONS COMPLETED DURING 1925.**

| | Horsepower |
|---|---|
| **British Columbia** | |
| B. C. Electric; Stone Lake | 23,000 |
| West Kootenay Co.; Lower Bonnington Falls | 35,984 |
| **Manitoba** | |
| Winnipeg City Hydro; Point du Bois | 21,900 |
| **Ontario** | |
| Hydro Electric Commission— | |
| Queenston | 110,000 |
| Cameron Falls | 25,000 |
| South Falls | 3,750 |
| Trent Canal | 4,800 |
| Abitibi Power & Paper Company— | |
| Island Falls | 24,000 |
| Twin Falls | 6,000 |
| Keewatin Power Co.; Lake of Woods | 17,000 |
| Wahnapitae P'r. Co.; Wanapitei River | 7,000 |
| Manitoulin Pulp Co.: Kagawong River | 1,750 |
| **Quebec** | |
| Duke-Price Power; Isle Maligne | 360,000 |
| Southern Canada Power Co.— | ...... |
| Hemmings Falls | 37,800 |
| Drummondville | 12,000 |
| Ottawa River Power Co.; Bryson | 25,000 |
| Chicoutimi Electric Co.; Garneau Falls | 3,500 |
| **Maritimes** | |
| Annapolis Plant | 245 |

**HYDRO ELECTRIC INSTALLATIONS TO BE COMPLETED IN 1926**

| | |
|---|---|
| **British Columbia** | |
| B. C. Electric; Alouette Lake | 12,500 |
| Powell River Co. | 25,860 |
| **Manitoba** | |
| Manitoba Power Co.; Great Falls | 28,000 |
| Winnipeg City Hydro; Point du Bois | 14,600 |
| **Ontario** | |
| Hydro Electric Commission; Hanna Chute | 1,800 |
| Quinte and Trent Valley Power— | |
| Campbellford | 1,100 |
| Frankford | 2,980 |
| **Quebec** | |
| Duke-Price Power; Isle Maligne | 120,000 |
| Shawinigan Water and Power Co.; Batiscon River | 22,800 |
| Quebec Southern Power; Maniwaki | 2,500 |

The foregoing shows only those projects which will be completed during the present year—there are, however, a considerable number of important developments which are not shown in the foregoing table. These include the development by the B. C. Electric Railway Company on the Bridge River. It is thought that development here will start in 1927 and will be accomplished in successive stages, commencing with an installation of 54,000 horsepower and reaching ultimately a total of possibly 700,000 horsepower.

**Many Projected Developments**

Although the Manitoba Power Company is installing a further 28,000 horsepower at Great Falls during the present year, its plant there has been built to take a fourth unit of 28,000 horsepower. This would bring the total capacity of the plant from its present output of 56,000 horsepower up to 112,000 horsepower. It can be anticipated that the company will add its fourth unit within the next few years.

The Hydro Electric Power Commission of Ontario apparently has no definite new developments of magnitude in view, but the commission requires an increasing amount of power annually; it is, therefore, continuing its investigation of further sources of power on rivers within its territory, notably the possibilities of the Ottawa and the St. Lawrence. There is no doubt that the Ontario Hydro will continue to enlarge the scope of its activities.

**Probable Quebec Developments**

The largest hydro-electric project in the province of Quebec is, of course, that undertaken by the Aluminum Company of Canada to supply its new aluminum works; this project, when ultimately completed, will produce some 800,000 horsepower. Other important projects in this province include two power developments of considerable magnitude on the Gatineau River by the International Paper Company. There are other smaller developments also, for instance, the Canada Paper Company's plant at Ulverton, which will produce 2,500 horsepower. Preliminary work has been started also by the Shawinigan Water and Power Company in connection with re-building its hydro-electric plant on the St. Anne Perade River; this will produce 4,000 horsepower. Again, there are many less definite projects being considered which will ultimately add to the province's supply of electric energy. The Ontario Paper Company intends to develop power on the Manicouagan River on the north shore of the St. Lawrence opposite Metis; the Kingdon Company will develop the Chats Falls on the Ottawa River and there are in view several projects of a smaller nature.

In the Maritime Provinces there was only a small addition to the installed capacity during 1925, and there are no large increases in view for the present year, but there are, however, a number of projects in active prospect. These are mostly in connection with the pulp and paper industry in that section of the Dominion and the individual output of each site would be small. There is, however, a major development at Grand Falls on the Saint John River in view; this is occupying the attention of the provincial government and it will ultimately be harnessed.

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# DULUTH-SUPERIOR PROFITS INCREASED

### But Showing for Year Was Not Up to Prospects Held Out by Early Months

Although the net income available for dividends for the Duluth-Superior Traction Company in 1925 was nearly 100 per cent. greater than for 1924, the results as a whole were rather disappointing as compared with the prospects during the earlier months. Nothing has been definitely stated as to the dividend outlook but it would seem likely that action will be further delayed. The net profits amounted to $83,161 compared with $42,004 in 1924. Operating revenues amounting to $1,943,493 showed an increase of 8.87 per cent. but the operating expenses amounting to $1,578,012 showed an increase of 7.37 per cent. Following are comparative figures from the profit and loss account:

| | 1925 | 1924 |
|---|---|---|
| Operation rev. | $1,943,493 | $1,789.402 |
| Oper. expenses | 1,578,012 | 1,486,058 |
| Net income | 365,480 | 303,344 |
| Oper. income | 226,186 | 190,029 |
| Non-oper. income | 32,070 | 25,359 |
| Net income | 83,161 | 42,004 |

A. M. Robertson, president, in his report comments upon the purchase of a bus line operating between Duluth and Superior arranged during the year. The Duluth Street Railway Co., a subsidiary organization, purchased the local bus business in Superior, thus eliminating all remaining bus competition between the two cities. These bus feeder lines bring traffic to the main system, and the president stated that it is expected that these lines will become self-supporting and add materially to the street railway earnings.

Application was filed during the year with the Railroad & Warehouse Commission of Minnesota for an increase in fares. This gave rise to objections by the municipal authorities of Duluth, and the matter is still pending in the courts. There appear to be good prospects of this matter being settled quite early this year. A decision of the supreme court sustaining the district court's decision on the constitutionality of the street railway statute will remove the last legal obstacles delaying the commission's hearing on the company's pending application for an increased fare.

The consolidated profit and loss account shows surplus brought forward from 1924 of $657,832. After making the usual deductions there was left an unappropriated surplus of $665,811. Current assets are shown at $280,953, an increase of $33,458. Current liabilities were $238,492, an increase of $20,028. Fixed assets amount to $10,438 097, an increase of $216,237.

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### Public Utilities Get Lion's Share of Capital

NEW YORK.—For the fifth consecutive year the public utility industry of the United States has led all other industries in the amount of new money obtained from the sale of securities to employees, customers, and the general public.

Total amount of new public utility financing in 1925 was $1,496,000,000, compared with $1,325,000,000 in 1924, or an increase of $171,000,000, according to H. C. Abell, president of the American Gas Association.

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# LAURENTIDE POWER EARNINGS MOUNTED TO HIGHEST LEVEL

### Gross Earnings Increased by $20,000—$100,000 to Depreciation Reserve

From Our Own Correspondent.

MONTREAL. — The Laurentide Power Company's gross revenues and net earnings for the past year stood at the highest level in the history of the company. The gross from power sales amounted to $1,496,521 being an increase of about $20,000 from the 1924 level. The net earnings applicable to dividends were increased by over $16,500 as compared with the preceding year. At the close of the past year, the company increased its depreciation reserve by $100,000 from surplus account and from surplus earnings derived from operations during the year.

The balance sheet shows an improvement in the liquid position, the excess of current liabilities over current assets having been reduced from $207,085 to $145,099. The conversion of the company's seven per cent. bond issue during the past year into a 5½ per cent. issue is reflected in an increase of $91,000 in funded debt and of some $15,000 in deferred charges. Reserves show an increase of $160,000, this being effected by an increase of $100,000 in depreciation reserve and the balance in Bond Sinking Fund Reserve. Contingent reserve remained unchanged at $190,000.

The report of the directors states in part as follows:

"Your company has, since July 1, 1922, been delivering 125,000 h.p. on its two firm power contracts and disposing of such surplus power as the flow of the river has made available for the generating of steam in manufacturing plants. For this reason, the gross revenues have remained practically constant for the past three years, as have also the total amounts expended for the operation and maintenance of the plant. This uniformity of earnings will probably continue until such time as the demand for power admits of the surplus being disposed of at more advantageous rates.

"The plant of your company has now been in operation for a period of ten years, and during that time no interruptions from electrical or mechanical conditions have arisen to interfere with the delivery of power under contract."

The profit and loss figures and the liquid position figures during the past three years compare as follows:

**Profit and Loss**

| | 1925<br>$ | 1924<br>$ | 1923<br>$ |
|---|---|---|---|
| Power sales | 1,496,521 | 1,478,087 | 1,411,180 |
| Other inc. | 3,890 | 2,775 | 6,642 |
| Total rev. | 1,500,411 | 1,480,862 | 1,417,822 |
| †Op. exp. | 248,249 | 242,585 | 247,537 |
| Net earn. | 1,252,162 | 1,238,277 | 1,170,285 |
| Bond int. | 475,782 | 479,374 | 483,251 |
| Net profit | 776,380 | 758,903 | 687,034 |
| Tax prov. | 65,000 | 65,000 | 64,000 |
| Balance | 711,380 | 693,903 | 623,034 |
| Bond S.F. | 90,250 | 89,340 | 89,340 |
| Balance | 621,130 | 604,563 | 533,694 |
| Deprec. res. | 100,000 | ....... | ....... |
| Balance | 521,130 | 604,563 | 533,694 |
| Dividends | 525,000 | 525,000 | 525,000 |
| Surplus | x 3,870 | 79,563 | 8,694 |
| Prev. surp. | 30,037 | 10,474 | 69,238 |
| Total surp. | 26,167 | 90,037 | 77,932 |
| Trans. from cont. res. | ....... | ....... | 60,000 |
| Total | 26,167 | 90,037 | 137,932 |
| Deduct | ....... | 60,000 | ....... |
| Cont. res. adjust. | ....... | ....... | 127,458 |
| P. & L. Bal. | 26,167 | 30,037 | 10,474 |

†Includes operation, maintenance, water rentals, taxes and general expenses.

xDebit.

**Working Capital**

| | 1925<br>$ | 1924<br>$ | 1923<br>$ |
|---|---|---|---|
| Cur. assets | 376,519 | 324,890 | 312,030 |
| Cur. liab. | 521,618 | 531,975 | 531,962 |
| xW. Cap. | 145,099 | 207,085 | 219,932 |

xExcess of current liabilities over current assets.

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# OTTAWA TRACTION EARNINGS DECREASE

### President Indicates Subsidiary Company's Earnings May Necessitate Increased Fare

From Our Own Correspondent.

MONTREAL.—The president of the Ottawa Traction Company, T. Ahearn, at the annual meeting of the company, regretted that the report for the year 1925 was not up to the standard of preceding years. There was a substantial decrease in the gross earnings. In carrying out its terms with the city, the company has spent considerable sums to improve and extend its system. However, the revenue has not come up to the amount forecast by a traffic expert in his report to the city. Mr. Ahearn indicated that if the volume of traffic did not improve, it might be necessary to ask for an increased rate of fares at the end of its five-year agreement with the city.

One of the factors which reduced earnings during the year was the keener competition from buses running from the centre of the city to different points in the environs of Ottawa. Mr. Ahearn pointed out that should it be necessary to increase fares, the inroads made into the company's business by motor buses would be largely responsible.

The Ottawa Traction Company derives its revenues from the dividends of a subsidiary company which operates the Ottawa street cars. The dividends received from the subsidiary are just equal to the amount paid out to the shareholders of the holding company. This year $279,075 was again received in dividends from the Ottawa Electric Railway Company; this figure provided the amount necessary to meet the usual disbursements to shareholders during the year.

The only change in the balance sheet is the inclusion of an item of $3,000,000 on both the asset and liability side of the sheet. On the liabilities side, the item is for an issue of $3,000,000 Ottawa Traction Company's first mortgage and collateral trust sinking fund bonds, 5½ per cent., due July 1, 1955, whilst to offset this issue, the company carries in its assets an equal amount of the Ottawa Electric Railway Company's first mortgage sinking fund bonds, 5½ per cent., due July 1, 1955.

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### Strong Interests Said to be Backing Brazilian

Strong financial interests which have been identified with Montreal Power and with Smelters are said to be sponsoring the present movement in Brazilian Traction, and it is predicted that with a favorable story for the background, the price will be taken to still higher levels. One of the interesting rumors which have accompanied the latest buying is to the effect that the American Telegraph and Telephone Co. has purchased the company's telephone subsidiary. No details were mentioned, but it was agreed that if this were true, the company had effected an important stroke of business which would be greatly to its advantage, for the telephone branch of the business had not been the most remunerative, and efforts have been made for some little time to secure an increase in telephone rates to a basis commensurate with the value of the services rendered, but thus far no real progress in this direction has been made.

It was reported, too, that the General Electric and American Telegraph and Telephone have been accumulating stock, the former in order that it might place itself in a secure position with the company as a potential customer, for Brazilian Traction is one of the greatest power producing and distributing factors in the world.

It is agreed that if the company were able to earn approximately 6 per cent. on its common stock in 1924, with the milreis selling considerably under the present level and after showing considerable write-offs for depreciation and new equipment, the prospects for the current year should be immeasurably improved, with the milreis hovering slightly under the 15-cent level, the power situation cleared up, and with no heavy capital expenditures confronting it.

## Public Utility Earnings

**Ottawa and Hull Power**

| Dec. | 1925 | 1924 | Inc. |
|---|---|---|---|
| Gross | $ 33,681 | $ 32,199 | $ 1,482 |
| Op. Exp. Taxes and Maint. | 7,590 | 6,821 | 763 |
| Net | $ 26,091 | $ 25,378 | $ 713 |
| Four months ended Dec. 31— | 1925 | 1924 | Inc. |
| Gross | $124,142 | $121,329 | $ 2,812 |
| Op. exp., taxes and maint. | 25,769 | 25,567 | 201 |
| Net | $ 98,373 | $ 95,762 | $ 2,611 |

**PUBLIC UTILITY EARNINGS**
**Twin City Rapid**

| 4th Quarter— | 1925 | 1924 | % inc. or Dec. |
|---|---|---|---|
| Gross Rev. | $3,331,191 | $3,277,945 | +01.62 |
| Oper. Exp. | 2,391,979 | 2,228,754 | +07.32 |
| Net Rev. | 939,212 | 1,049,191 | —10.48 |
| Fixed Chgs. and taxes | 616,395 | 519,708 | +18.60 |
| Net Income | 322,816 | 529,482 | —39.03 |
| 12 Months— | | | |
| Gross rev. | 12,562,983 | 12,805,631 | —01.89 |
| Oper. exp. | 9,245,463 | 9,197,671 | +00.52 |
| Net Rev. | 3,317,519 | 3,607,959 | —08.05 |
| Fixed Chgs., and Taxes | 2,280,092 | 2,338,950 | —02.52 |
| Net income | 1,037,427 | 1,269,008 | —18.25 |

**ALBERTA'S INCREASING WOOL CLIP**

CALGARY.—Alberta's wool clip has grown from zero to 2,500,000 pounds in the course of a few years. About 300,000 sheep were clipped last season.

THE ROYAL BANK OF CANADA
Statement to the Dominion Government (Condensed)
December 31, 1925
Head Office
MONTREAL

LIABILITIES

| | |
|---|---|
| Capital Paid up | $ 24,400,000.00 |
| Reserve Fund | 24,400,000.00 |
| Undivided Profits | 1,249,435.32 |
| Notes in Circulation | 38,314,807.74 |
| Deposits | 619,988,259.53 |
| Due to other Banks | 17,759,103.44 |
| Bills Payable (Acceptances by London Branch) | 8,486,477.08 |
| Letters of Credit outstanding | 29,641,412.73 |
| | $764,239,495.84 |

ASSETS.

| | |
|---|---|
| Cash on Hand and in Banks | $125,373,675.27 |
| Deposit in the Central Gold Reserves | 17,000,000.00 |
| Government and Municipal Securities | 111,188,131.26 |
| Railway and other Bonds, Debentures and Stocks | 16,339,366.43 |
| Call Loans in Canada | 37,925,522.34 |
| Call Loans elsewhere than in Canada | 54,314,761.85 |
| | $362,141,457.15 |
| Loans and Discounts | 352,126,403.85 |
| Liabilities of Customers under Letters of Credit as per contra | 29,641,412.73 |
| Bank Premises | 15,570,810.14 |
| Real Estate other than Bank Premises | 2,300,544.15 |
| Mortgages on Real Estate sold by the Bank | 1,018,867.82 |
| Deposit with Dominion Government for Security of Note Circulation | 1,440,000.00 |
| | $764,239,495.84 |

900 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
Auxiliary: THE ROYAL BANK OF CANADA (France)

Fidelity Insurance Company of Canada

Progressive Growth

| | 1924 | 1925 |
|---|---|---|
| Total Premiums Written | $141,916 | $161,261 |
| Net Premiums Written | $ 98,526 | $120,907 |
| Increase in Premium Reserves | | $ 12,720 |

Income from interest and profits on investments was $18,959.66, equal to 7.58% on Capital Stock, while Dividends at the rate of 6% amounted to $14,976.85. The growth of the Company's business during the year has been most satisfactory.

Our investments in Bonds increased during the year $17,387.67 and our Assets increased $20,805.15. The market value of the Bonds is $4,570.74 in excess of the value at which carried on the books.

For Copy of Complete ANNUAL REPORT write us.

A Record Year

Increases in Insurance in Force, in Volume of New Insurance, in Assets, in Policyholders' Reserve and in Surplus Funds shown by the Crown Life in 1925 were the largest of any year in its history.

Insurance in Force: $60,404,541
(Increase: $9,793,327)

New Insurance: $18,566,755
(Increase: $2,972,571)

Assets: $7,427,821.08
(Increase: $1,116,518.51)

Policyholders' Reserve: $6,361,732
(Increase: $933,026)

Surplus Funds: $855,310.51
(Increase: $158,713.58)

An Increased Scale of Dividends to Policyholders went into effect Jan. 1st, 1926

CROWN LIFE
INSURANCE COMPANY
G. T. SOMERS, President H. R. STEPHENSON, General Manager
HOME OFFICE: TORONTO, CANADA

# Evidence of Prosperous Year Viewed by Shareholders of National Trust Company

## Sir Joseph Flavelle, Bart., President, and Mr. W. E. Rundle, Vice-President and General Manager, Summarize Activities of the Company in 1925—Assets Now Amount to More Than $143,000,000—Deposits Increase and Liquid Position of the Company Is a Feature—Better Conditions Improve Mortgage Situation in the West.

# RURAL CREDITS CONSIDERED

## Both Sides Should be Heard and Deliberation is desirable—Mortgage Lending Companies Have Done Work Well.

Evidence of a prosperous year, in which a gain of almost five million dollars in assets under administration and the largest earnings in the history of National Trust Company were features, was reviewed for the Shareholders of the Company by the President, Sir Joseph Flavelle, Bart., and Mr. W. E. Rundle, Vice-President and General Manager, at the Twenty-eighth Annual Meeting, held February 2nd.

In moving the adoption of the Report, Sir Joseph said:

### President's Remarks

The Report of the Board of Directors, which has been submitted today, presents a statement of the Company's affairs, which I believe you will consider most satisfactory.

We again report a substantial increase in the assets under administration. These now amount to $143,661,905.46. The net profits, you will observe, are $375,693.69, the largest in the history of the Company. These, together with $121,646.58 brought forward from last year into Profit and Loss Account, enabled the Company to pay $270,000 in dividends, being at the rate of 12 per cent. per annum; to provide $60,073.55 for Dominion, Provincial and Municipal taxes (other than taxes on real estate); and to carry forward $167,266.72 into the Profit and Loss Account for the year 1926.

The usual inspection of the Company's securities was made during the year by the Inspection Committee of the Board of Directors, and I have much pleasure in laying this report upon the table to-day for your scrutiny.

The annual inspection of the Company by the Government, as provided by the Act of the Legislature of the Province of Ontario, also took place during the year.

### Securities Are Carried on Balance Sheet Below Present Market Prices

The Directors and the Management have again carefully reviewed the Company's investments—including its mortgages. You will be pleased to know that the investments, representing all the assets of the Company whether held on Capital or on Guaranteed Trust Account, are carried in the Balance Sheet now before you at figures substantially below present market prices, and that ample provision has been made to take care of all contingencies.

During the year your Directors authorized subscriptions to various charitable funds. A resolution in confirmation of these subscriptions will be submitted to you to-day.

We received on Wednesday last a cable advising the death of Mr. J. M. Mackechnie, one of the Company's Agents at Glasgow. We take this opportunity of expressing our deep regret and extending our sympathy to his relatives. Mr. Mackechnie was a prominent Writer to the Signet in Glasgow; had for very many years taken a deep interest in Canada; and to our own Company he rendered most faithful service.

I desire, on behalf of the Board, to express appreciation of the services given to the Company's affairs by the Resident Directors at Montreal and at Winnipeg; also to acknowledge the valuable services of Messrs. Thomson, Dickson and Shaw, and of Messrs. Finlayson, Auld and Mackechnie, the Company's Agents at Edinburgh and Glasgow, respectively.

Before moving the adoption of the Report, I will ask the General Manager to address you.

The General Manager, Mr. W. E. Rundle, said:—

### General Manager's Remarks

Sir Joseph and Gentlemen:

We have had another prosperous and satisfactory year, and are able to submit to the Shareholders to-day a statement which denotes progress in all departments of the Company's business. The net earnings are $375,693.69 and show a substantial increase over those of a year ago, while the assets placed under our administration have increased by $4,755,171.18 during the year and now stand at $143,661,905.46.

Our Balance Sheet shows that the assets fall into three groups, namely:

| | | |
|---|---|---|
| I. Those held on Capital Account, which belong absolutely to the Shareholders | | $ 4,782,498.92 |
| II. Those held for Guaranteed Trust Clients, that is to say, for clients who have handed the Company moneys under its Guarantee, which are repayable at fixed dates or on demand and bear fixed rates of interest ....... .. .. | $10,249,217.65 | |
| III. Those held for Estates, Trusts and Agencies, and which belong absolutely to the various beneficiaries for whom they are held ..... ... | $128,630,188.89 | 138,879,406.54 |
| | | $143,661,905.46 |

This summary succinctly places before the Shareholders the heavy responsibilities the Company assumes in the conduct of so large and varied a business. It also indicates that the net earnings of $375,693.69 are but a moderate return to the Shareholders upon their capital investment in the Company of $4,782,498.92 and for the responsibility and care of assets amounting to $138,879,406.54. There is no other business I know of where the net earnings are so small in comparison with the magnitude and importance of the business undertaken, and this constitutes an assurance to the public that the charges of Trust Companies are low. In passing, I would point out that the fees allowed by the courts to a Trust Company are no greater than—in fact are just the same as those allowed to private individuals. But there can be no comparison, of course, between the service rendered to an estate by a corporate trustee and that rendered by an individual trustee. The experience of the latter must be very limited in the very nature of the case.

### Personal Trustee at Disadvantage As Compared With Trust Company

I have often wondered whether our Shareholders realize fully the varied character of the business we conduct. Through the death of an individual to-day we may to-morrow find ourselves confronted with the conduct of any type of business and called upon to face problems of great difficulty and magnitude. Each estate is a separate business. It was the testator's business before his death and probably occupied all his time. We may suddenly find ourselves in control of a manufacturing plant, a wholesale or retail business, a distillery or a railway. We have had them all. This shows what a wealth of experience comes to a Trust Company and fits it for the care of property, no matter how important or valuable or how intricate its problems. I ask, how can the individual trustee compete with this wealth and variety of experience in the administration of estates? Then there is the experience which a Trust Company gains in the investment of trust funds. This is of the utmost importance. The records show that, speaking generally, individuals are poor investors when they invest outside their own business. The estates of wealthy men often evidence this. Men who showed great ability and made large fortunes in their own business lost heavily in outside investments. This is but natural, because the investment of money, like all other business, requires special training, skill and constant attention. The Trust Company is organized to give expert advice and service in the investment of funds.

Because of the varied character of our business, it is essential, if we are to give efficient service to our clients and to the public, to possess a capable staff. This I can assure the Shareholders we have, and it is in large degree due to their loyal efforts we are able to present such good results to you to-day.

### Large Increase In Deposits

There has again taken place during 1925 a large increase in our Deposits. This, I think, is accounted for not only by the public confidence which the Company enjoys, but also because public appreciation is growing daily of the high character of the investments in which by law Trust Companies are compelled to invest deposits. The investments are limited to Government and Municipal Bonds and to First Mortgages. Added to the safety of the investments themselves are the safeguards afforded by Government Inspection.

### Balance Sheet Shows Liquidity

One of the most striking features of the Balance Sheet is its liquidity. You will observe that the cash and quick assets held on Capital and Guaranteed Trust Accounts amount to $5,328,923.61. or 93 per cent. of our total deposits. This places the Company in a remarkably strong position.

We are pleased to call the attention of the Shareholders to the substantial reduction made during the year in our real estate held for sale under mortgage foreclosure. This is due to the many sales of foreclosed properties we have been able to make during 1925 as the result of improved conditions in the Prairie Provinces of Manitoba, Saskatchewan and Alberta, where all our foreclosed properties are situated.

### Mortgage Conditions Improve

The Shareholders will recall that prior to five years ago we carried no foreclosed mortgaged property in our Balance Sheet. If before that time a property came upon our hands there was little difficulty in disposing of it. Since 1920, however, the problem of foreclosure under mortgage in Western Canada has been an important one with mortgage lending companies. That losses will be incurred in respect of some, at least, of the properties, is inevitable. It was surely too much to expect that the farming community of Canada, and particularly those living in the newer parts of Western Canada which were settled in the decade immediately preceding the war, could go through post-war readjustment without incurring loss. No country has escaped the penalties and losses which inevitably follow readjustments so profound as those through which the world has been passing in recent years. To my mind, for Canada the wonder is not that her people have suffered, but that they have suffered so little in comparison with other parts of the world.

Whatever the losses may be which our Company is called upon to assume in connection with its foreclosed properties, I can confidently assure the Shareholders that ample provision has already been made for them. You will observe from the Balance Sheet that our claims against foreclosed mortgages are placed at $290,079.94. In reality the claims amount to a much larger sum, but we have written them down to a point where there can be no doubt that the security will fetch prices adequate to meet the claims. As I have pointed out to the Shareholders on previous occasions, it has been our custom for many years to set aside annually, before declaring our profits, an appropriation to meet possible mortgage losses. We recognized from the inception of our mortgage loan business in Western Canada that the higher rates of interest charged there were due to the somewhat greater risks involved. Consequently we believed sound finance dictated that even during the years when mortgage interest was being promptly met and when little, if anything, was heard of foreclosures, something should be laid aside for a "rainy day." These appropriations have reached substantial figures. The wisdom of our policy has been fully justified, and has enabled us to feel quite comfortable during the last few years regarding mortgage claims we might be called upon to foreclose.

### Rates Not Too High to Western Borrowers

At times a great deal is said about the higher interest rates charged the Western borrower. I submit without fear of successful contradiction that having regard to the risks involved and losses incurred, the Western borrower is enjoying to-day and has been enjoying for many years a more favorable rate of interest than that charged in Canada east of the Great Lakes. The cost of doing business, because of the greater distances to be travelled and the sparser settlement, is much greater in the West than in the East. In the East, interest is met promptly and is rarely overdue for any length of time, while a foreclosed property is almost a curiosity. In the West, borrowers are often carried for years by the lending companies because of crop failures. while everyone knows the large amount of foreclosed property which is now upon the hands of the mortgage lending companies in the West. It is simply not so that Western mortgage borrowers are disadvantaged over Eastern borrowers. They are, in fact, advantaged over their Eastern fellow-countrymen.

I shall not take up your time this afternoon with any extended remarks regarding the improvement in conditions which has taken place during the last twelve months in Western Canada as the result of the bountiful harvest of 1925 and also as the result of a steady expansion in diversified farming. Too much praise cannot be given to our friends in the West for their wisdom in broadening the base of their farming operations. This is helpful to themselves and a great benefit to the country. In the movement to broaden the base of agricultural activity in Canada, our Agricultural Colleges and Universities. and the Agricultural Departments of our Governments, have played an important part. They have been aggressive. But they have also shown wisdom in the sympathetic consideration they have given to the views of our agricultural communities. Where there have been differences of opinion, persuasion and demonstration has been the attitude of the Colleges and Universities rather than contempt for a different viewpoint. It is a splendid illustration of the progress which can be made by a spirit of co-operation.

### Recent Years Have Brought Betterment

The years 1923, 1924 and 1925 have combined to contribute great betterment to Western Canada. The crops in the first of these years were exceptionally large in volume; those in the second commanded high prices, although they were much smaller in volume; while those of 1925 were both large in volume and excellent in price. Hence during the last twelve months maturing interest was well met and a substantial amount of arrears paid. The West has greatly reduced its indebtedness, and once more there is a better feeling abroad and a confidence which augurs well. In surmounting its own difficulties and contributing to its own betterment, the West has undoubtedly contributed to the betterment of the whole of Canada. No doubt one of the greatest contributing factors to the dull times experienced in Canada east of the Great Lakes the last few years was the restriction of buying power in Manitoba, Saskatchewan and Alberta. To me it seemed the greatest of all. Our Prairie Provinces have been engrossed since 1921 with a problem of indebtedness which necessitated most people spending as little as possible in the purchase of commodities. These three Provinces contain twenty-five per cent. of the total population of Canada. In other words, the West was, to an important degree, out of the buying market. We all know the importance of volume in trade. In business undertakings there is a certain overhead which must be carried whether the volume of trade be large or small, whether the undertaking is making a profit or sustaining a loss. One is often surprised to find how much volume is actually necessary simply to meet overhead charges. Hence it follows that frequently an added volume of but ten or fifteen per cent. makes the difference to an industry or business between a struggle to keep going and excellent profit. The restoration, or perhaps it is more exact to say the improvement in the buying power of the West, made possible by better crops and lessening indebtedness, is already being felt throughout Canada, to the general advantage of industry and business. It is confidently expected that still greater improvement will be revealed during the coming months. The country breathes freer, deeper, and with a greater confidence.

### Immigration and Taxation

The subjects of immigration and taxation have been dealt with so exhaustively during the last few weeks at Shareholders' meetings of financial institutions, and we ourselves have so stressed their importance during the last three years that there is little further, if anything, to add. I shall, therefore, content myself today with endorsing all that has been said regarding the outstanding importance to Canada of a vigorous and sustained immigration policy and of the enforcement of economies which will reduce taxation by all taxing authorities — Dominion, Provincial and Municipal.

### Rural Credits

I should like before sitting down to make a few observations on Rural Credits. This subject is now prominently before the people of Canada, and is one of the most important questions with which they have to deal. A year ago I called your attention to the tendency on the part of some to favor paternal legislation as a panacea for all ills, and in this connection I made reference to proposed rural credit schemes. Having thus referred to the matter a year ago, I make no apology for returning to it to-day.

### Lending Companies Helped Pioneers

The mortgage lending companies in Canada, comprised as they are of the Life Companies, the Loan Companies and the Trust Companies, are interested in this subject. It is they who before and since Confederation have largely supplied the mortgage credits to our people. These companies have been a large factor in the development of Canada. They have helped the farmer to cultivate the land; the workman to acquire his home; and the business man to develop his undertakings. It was the lending companies who went with the pioneer into newer districts. They helped him to develop these districts, and with him they assumed some, at least, of the risks involved. Thus the companies showed courage and faith in Canada second only to that of the pioneer himself.

The mortgage investments of the Life, Loan and Trust Companies now aggregate hundreds of millions of dollars, made up largely of insurance premiums and savings deposits entrusted to them by the people.

I recognize, however, that great and all as are the interests to which I have referred, even these should not be allowed to stand in the way of the development of Canada, if they are so doing, and if in the broad interests of the country there is a better method of carrying on the work these institutions are doing.

### Evidence on Both Sides Should Be Heard

It will be recalled that four years ago our farming communities, particularly those in the West, were experiencing acute and difficult conditions as the result of the sudden drop in the price of agricultural products, especially that of wheat. The violent reaction from the comfortable days of $2.00 wheat brought to many a feeling of despair. It was under these abnormal conditions and in this atmosphere of discomfort that remedies were sought. Parliament appointed a special Committee to enquire into agricultural conditions, and as a result of the report of that Committee, in January, 1923, the Government asked Dr. H. M. Tory, President of the University of Alberta at Edmonton, to make an enquiry into the subject of rural credits. The first report to the Dominion Government was made in April, 1924, and a supplementary report followed in March, 1925. These reports show a great deal of research and are important documents. Notwithstanding the different views which might be held regarding some of the conclusions expressed in the reports, appreciation is due to Dr. Tory for his work. Dr. Tory quite naturally appeared before Committees of the House of Commons to give evidence on rural credits. The mortgage lending companies, in view of their interest in the matter, also desired to give evidence. Through their Association, the Dominion Mortgage and Investments Association, they made application to be heard before the Committees, but were not given an opportunity. The public will, I think, find it as difficult to understand this as do the companies themselves. In a matter of so great importance to the public as well as to the companies, why should not both sides be heard?

### A Danish Example

Let me illustrate the desirability of further investigation by referring to one important matter mentioned in the reports.

At the top of page 10 of the Supplementary Report, dated the 30th of March last, the following appears: "In all the countries of Western Europe capital is obtainable (for agricultural purposes) at a rate not exceeding 5 per cent. and current money at similar rates." This is not in accordance with the information I have received from Western Europe. The two countries of Europe in which money on mortgage can be obtained most cheaply are Denmark and Holland. In Denmark, where money is somewhat cheaper than in Holland, the borrowing is mainly done through Danish credit associations. Extended reference to these associations is made in the reports. A borrower on becoming a member of these associations pays an initial charge of 1½ per cent. He then gives a mortgage to the association at 5 per cent. interest. The association, however, does not pay him the amount of his mortgage in cash, but, as the report points out, pays him in bonds of the association. These bonds are now issued to bear 4½ per cent. interest, although when money was cheaper the bonds were issued at lower rates. The borrower has to sell his 4½ per cent. bonds in the open market. They naturally fluctuate in price like any other security. I have before me a cable advising that the bonds were quoted in Denmark on January 21st at from 85 to 87 cents on the dollar. It would therefore appear that a borrower in Denmark who in the third week of last month borrowed $1,000 on mortgage upon which he agreed to pay 5 per cent. interest received not $1,000 in cash but $1,000 in 4½ per cent. bonds for which he realized from $850 to $870 only in cash. This, you will see, is a substantial discount which the borrower has to suffer and absorb over the period of his loan. I might point out that last summer the 4½ per cent. bonds of the Danish credit associations were selling at from 78 to 80 cents on the dollar, so that the borrower who had to sell his bonds then suffered a still greater loss in discount. I would also point out that the borrower has the right to redeem his mortgage debt in bonds, but here again the price he has to pay for them depends upon the market prices at the time he buys. In view of the facts I have given, it would seem obvious that the borrowings of the Danish borrower are costing him more to-day than 5 per cent.

A considerable portion of the reports referred to is devoted to an explanation of the conditions under which rural credits were adopted and are operated in European countries and in the United States. Certain parallels are drawn between conditions in those countries and conditions in Canada as affecting rural credits. These parallels, in my opinion, are not exact, and hence the conclusions drawn from them are, I believe, mistaken.

Parliament will no doubt give an opportunity for all the evidence to be heard, when certain misapprehensions which now exist can be cleared away and the basis of some of the recommendations of the reports will be found to be inapplicable to loaning conditions in Canada.

### The Experience of the United States

When in 1916 rural credits were heralded by the farming community of the United States, especially that of the West where the agitation for them was most pronounced, they were expected to prove a panacea for all ills. "Dear money" was said to be the cause of all ills, while "cheap money" was to be the cure-all. In less than ten years the Farm Loan Boards of the United States have put out one and a half billions of dollars in mortgage credits. True, at lower rates of interest. Yet notwithstanding this, the farmers in the Middle States of the United States are to-day again greatly discontented with their conditions. "Cheap money" has not been a panacea, and they are now calling upon the United States Government for relief in some new form. Speaking in the House of Commons at Ottawa a few days ago, the Leader of the Progressive party said (see Hansard, page 275): "We may complain about farming conditions in Canada to-day, but we are in a much better position on our farms than they are in the Middle States."

It has been said on more than one occasion that so far as the extension of credit is concerned the farmers of this continent have not suffered from the want of credit, but rather from the over-extension of credit. We all know that the people of our own West have suffered from too great credit facilities rather than the reverse. I am convinced that if Canada had had a rural credits system during the last ten years similar to that in operation in the United States the Progressive Leader would not have been able to make the comparison favorable to the Canadian West which he recently made in the House of Commons.

You may ask how the United States was able to raise, as it has done, one and a half billions during the last nine years for farm loan credits. The answer is that the United States enabled the Farm Loan Boards to issue tax free bonds to provide the money. These bonds were readily absorbed by wealthy people because of their tax free feature. Consequently the loss to the United States Treasury in income taxes which would otherwise be paid by wealthy citizens runs into large figures. This loss, which constitutes a direct subsidy to the farming interests of the United States, has to be made up out of the pockets of the whole of the people of that country. The right to issue tax free bonds is the keystone of the United States Rural Credits System. There is a rising tide among the people of the United States against the issue of tax free securities because of the manifest injustice it inflicts upon them.

### Results of Rural Credits in Western Provinces

Now we in Canada are not ourselves without experience of Government rural credits. A few years ago the Manitoba, the Saskatchewan and the Alberta Governments embarked upon schemes of rural credit of one form and another, and it is well known that anxiety now exists in all these Provinces regarding advances made. We know that the Prime Minister of Manitoba has said publicly that he estimates a loss of no less than approximately $700,000 in connection with $3,000,000 of rural credit loans made through the Rural Credits Societies of Manitoba. We know from the public records of Saskatchewan that arrears for interest under their scheme are not only heavy but that the authorities have had to advance large additional amounts to the borrowers to pay for seed grain, taxes, hail insurance premiums, etc. That heavy losses will have to be met by Saskatchewan is more than likely. We know from the public records of the Province of Alberta that during the years 1922, 1923 and 1924, $91,000 only was collected from the borrowers under The Livestock Encouragement Act, whereas during the same period the Government of Alberta, which guaranteed the loans made under the Act, paid to the banks some $497,000 in respect of the borrowers' indebtedness. In other words, the Government of Alberta had to make good to the banks the large sum of $406,000. These losses have to be made up out of the pockets of the people generally of the provinces, and the schemes are therefore manifestly unfair to the people as a whole. If the Provincial Governments have found, as they have found, that they are unable to get their own people to recognize and pay the debts to their own provinces, what will happen when the obligations are lifted from Winnipeg, Regina and Edmonton to Ottawa?

### Canada Has Ample Mortgage Funds

There is no lack of money in Canada to-day available for mortgage loan purposes. In fact, the mortgage lending companies have great difficulty in placing their money. The result is that competition among themselves is forcing a reduction in the rates. In this connection it must not be forgotten that for some time before the war there was a marked tendency in Canada to a decline in rates of interest, and when the war broke out a good deal of money was being loaned in the West on the best farm security in proven districts at 7 per cent. and sometimes less. The war interfered with these rates. We all know that during the war even Governments had to pay 6 per cent. for money and sometimes more. We are now back to more normal times, with the inevitable result that better conditions and continued competition will tend to lower rates of interest.

### Increased Revenue As Against Reduced Rates

I would point out that the average mortgage loan on a quarter section of land in Manitoba, Saskatchewan and Alberta is approximately $1,500. A saving in interest of from one to two per cent. would therefore amount to $15 or $30 per annum. I am not going to minimize the importance of saving $15 or $30 a year. But surely it is nothing short of grotesque to say that this saving is even a relatively important factor in the farmer's problems, let alone that it is a question of life and death, as claimed by advocates of rural credits. Western agriculturalists have themselves pointed out that the average farmer could secure through a more careful selection of seed and a better rotation of crops a higher yield of five bushels to the acre for wheat, ten bushels for oats and seven or eight bushels for barley and rye. This increased yield at present prices would amount to between $300 and $400 for the year to the owner of a quarter section with a hundred acres in crop. Compare the importance of this to the saving of $15 or $30. The fact is that through a more careful selection of seed and a better rotation of crops, an increased revenue would be received greater than twice the amount of the total interest on the whole of the mortgage indebtedness on a quarter section.

### Mass of Mortgage Loaning Well and Fairly Done

Now as to the rates of interest charged and as to the treatment of borrowers by mortgage lending companies. Let us frankly admit that in some cases undue advantage has been taken at times in exacting a higher rate than should have been done, and also that in some cases borrowers have been treated with undue harshness. But such instances, I submit, are a relatively small percentage of the total. The great mass of the lending of money on mortgage which has been done in Canada has been well and fairly done, and the mortgage lending institutions have played a fine part. These companies have not made undue profits, and the rates they have charged have been determined from time to time by the rates they have had to pay for money plus a reasonable allowance only for the cost of doing business, including the risks run and the losses which must from time to time inevitably be incurred. Substantiation of these facts can easily be obtained.

The mortgage lending companies have consistently maintained that they have been handicapped from giving better terms to borrowers by the burdensome restrictions and difficulties which have been imposed by some of our Provincial Legislatures. That the latter acted in what they believed at the moment to be the best interests of the provinces is not questioned. That some of the legislation recoiled to the disadvantage of those it sought to benefit is now well known.

### Inform and Co-operate

In conclusion, might I express the view that before the country is launched into the uncharted seas of money-lending, it would be the part of wisdom for Parliament to thoroughly inform itself of the facts by hearing all the evidence. If this were done, I feel confident that out of a true understanding would arise a spirit of co-operation, and that the mortgage lending companies would be found willing to do their fair share in the accomplishment of the ends desired.

# Laurentide Power Company
## LIMITED

OFFICERS

F. A. Sabbaton, President. Julian C. Smith, Vice-President.
Louis Armstrong, Treasurer. Wm. F. Robinson, Secretary.
F. E. McNally, Asst. Secretary.

DIRECTORS

J. E. Aldred, George Chahoon, Jr., F. A. Sabbaton, Howard Murray, Julian C. Smith, Charles R. Hosmer, Edwin Hanson, A. A. Tilney, Capt. J. H. A. Acer.

**OFFICES: 1021 Canada Cement Building, Montreal, and at Grand'Mère, P.Que.**

## Balance Sheet December 31st, 1925

### ASSETS

| | | | |
|---|---|---|---|
| Property, Hydro-Electric Development | | | $20,076,085.04 |
| Equipment and Operating Stores | | | 86,238.21 |
| Sinking Fund Investment: | | | |
| First Mortgage Bonds— | | | |
| Cost of Bonds redeemed | $613,741.76 | | |
| Cash with Trustee | 888.91 | | |
| | | $614,630.67 | |
| General Mortgage Bonds— | | | |
| Cash with Trustee for redemption | | 15,250.00 | |
| | | | 629,880.67 |
| Accounts Receivable— | | | |
| Shawinigan Water & Power Co.—Power for December | | $80,431.11 | |
| Laurentide Company, Limited—Power for December | | 44,625.23 | |
| Sundry Debtors | | 454.79 | |
| | | | 125,511.18 |
| Cash in Bank and on hand | | | 251,008.06 |
| Prepaid and Deferred Charges | | | 23,944.22 |
| | | | $21,192,667.33 |

### LIABILITIES

| | | | |
|---|---|---|---|
| Capital Stock— | | | |
| Authorized | $10,500,000.00 | | |
| Issued and fully paid-up | | | $10,500,000.00 |
| Bonds— | | | |
| First Mortgage 5% 30-yr. Sink. Fund Gold Bonds due 1946, Authorized and Issued | | $7,500,000.00 | |
| General Mortgage 5½% 20-yr. Sink. Fund Gold Bonds due 1946— | | | |
| Authorized | $2,000,000.00 | | |
| Issued | | 1,525,000.00 | |
| | | | 9,025,000.00 |
| Accounts Payable— | | | |
| Bills Payable | | $13,875.00 | |
| Water Rentals | | 27,501.44 | |
| Accrued Taxes | | 79,450.96 | |
| Sundry Creditors | | 35,958.56 | |
| | | 156,785.96 | |
| Bond Interest Payable 2nd Jan., 1926 | 216,200.00 | | |
| Dividend payable 15th January, 1926 | 131,250.00 | | |
| Unclaimed Dividends and Coupons | 2,132.76 | | |
| Sink. Fund Instalment payable 2nd Jan., 1926 | 15,250.00 | | |
| | | 364,832.76 | |
| | | | 521,618.72 |
| Reserves— | | | |
| Sinking Funds | | $629,880.67 | |
| Depreciation | | 400,000.00 | |
| Contingent and Insurance Funds | | 90,000.00 | |
| | | | 1,119,880.67 |
| Profit and Loss Account | | | 26,167.94 |
| | | | $21,192,667.33 |

Audited and Verified.

Our Report dated 26th Jan., 1926, is attached.

SHARPE, MILNE & CO.,
Chartered Accountants.
Montreal, 26th January, 1926.

Approved on behalf of the Board,
JULIAN C. SMITH,
EDWIN HANSON, Directors.

## PROFIT AND LOSS ACCOUNT
## Year ended 31st December, 1925

| | | |
|---|---|---|
| Earnings— | | |
| Gross Revenue from Power | | $1,496,521.53 |
| Miscellaneous Income, Interest on Investments, Rents, etc. | | 3,890.15 |
| | | $1,500,411.68 |
| Expenses— | | |
| Operation | $61,444.29 | |
| Maintenance | 43,976.10 | |
| Water Rentals | 60,232.88 | |
| Taxes (Provincial and Municipal) | 44,280.97 | |
| General Expenses | 38,314.47 | |
| | | 248,248.71 |
| Net Earnings from Operations | | $1,252,162.97 |
| Deduct— | | |
| Interest on Bonds | $467,854.17 | |
| Exchange on Bond Interest | 68.78 | |
| Proportion of Bond Conversion (1925) expense | 7,860.00 | |
| | | 475,782.95 |
| Profit for the year | | 776,380.02 |
| Less— | | |
| Provision for Income Tax, 1925 | | 65,000.00 |
| | | 711,380.02 |
| Add— | | |
| Surplus brought forward from previous year | | 30,037.92 |
| | | 741,417.94 |
| Deduct— | | |
| Sinking Fund for Redemption of Bonds | $ 90,250.00 | |
| Dividend at 5 per cent. for year, paid quarterly | 525,000.00 | |
| Transferred to Depreciation Reserve | 100,000.00 | |
| | | 715,250.00 |
| Surplus Carried Forward | | $ 26,167.94 |

SHARP, MILNE & CO., Chartered Accountants, Montreal, Toronto, New York.
Montreal, January 26th, 1926.

The President and Shareholders, Laurentide Power Company, Limited, Montreal.

Gentlemen:—

We have audited the Books and Accounts of your Company for the year ended 31st December, 1925, and attach hereto the following statements, viz.:

Balance Sheet as at 31st December, 1925.

Profit and Loss Account for the year 1925.

Satisfactory vouchers have been produced for all disbursements.

Inventory valuations have been acceptetd under certificate of your Manager of Operations, as to quantities and value.

Securities and Bank Balances have been verified by certificate of the various depositaries.

The provisions for Sinking Fund as called for by the Trust Deeds have been made.

CERTIFICATE

We have examined the attached Statement of Condition as at 31st December, 1925, with the Books and Vouchers relating thereto and certify that, in our opinion, such Statement of Condition is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us, and as shown by the Books of the Company.

We have received all the information and explanations we have required.

Respectfully submitted,
SHARPE, MILNE & CO.,
Chartered Accountants.

REPORT OF THE BOARD OF DIRECTORS OF THE

## LAURENTIDE POWER COMPANY, LIMITED

SUBMITTED TO THE SHAREHOLDERS OF THE COMPANY AT THE ANNUAL MEETING, FEBRUARY 16TH, 1926.

The Board of Directors of the Laurentide Power Company, Limited, submit herewith to the Shareholders a statement of the operations of their Company for the year ended December 31st, 1925.

The total revenue for the year from all sources, $1,500,411.68. After making provision for interest charges, bond conversion expense, water rentals, operation and maintenance, there results a surplus of $776,380.02, less provision for Income Tax, 1925, $65,000.00, plus the surplus for the previous year, $30,037.92, making a surplus of $741,417.94.

From this should be deducted the Sinking Fund for the redemption of the Bonds of $90,250.00. The dividends at the rate of 5 per cent., amounting for the year to $525,000.00, and the amount provided for depreciation reserve $100,000.00, total $715,250.00, leaving a surplus to be carried forward of $26,167.94.

Your Company has, since July 1st, 1922, been delivering 125,000 h.p. on its two firm power contracts and disposing of such surplus power as the flow of the river has made available for the generating of steam in manufacturing plants. For this reason, the gross revenues have remained practically constant for the past three years, as have also the total amounts expended for the operation and maintenance of the plant. This uniformity of earnings will probably continue until such time as the demand for power admits of the surplus being disposed of at more advantageous rates.

The plant of your Company has now been in operation for a period of ten years, and during that time no interruptions from electrical or mechanical conditions have arisen to interfere with the delivery of power under contract.

Respectfully submitted,
F. A. SABBATON, President.

---

# Munsey's Career Great Example to Young Men

## Pioneer in Development of National Marketing and Mass Production — Newspaper Amalgamations Saving New Yorkers Millions

By J. B. Maclean

"Mr. Munsey had few advantages to start with so far as money or influence are concerned, but he had a native endowment of common-sense and energy, and best of all, a sturdy, honest character and a determination to do what he considered right, at all costs. Throughout his entire life he was scrupulously upright, his word in a business deal being always regarded as good as his bond. Though not born to newspaper work, he became by steadfast perseverance one of the greatest publishers of the world, his newspapers and magazines wielding a great influence on the life of the American people.

"There are just as great opportunities in the business and professional world to-day for young men to achieve renown in their chosen calling as existed when Mr. Frank Munsey commenced his career and all that is needed is the very same virtues, which made the success of this famous publisher so pronounced. Scrupulous honesty, integrity of character, indefatigable energy and steadfast adherence to a definite purpose almost invariably bring success and the opportunities are as numerous as ever. Science is constantly opening up new channels for young men to follow and alert minds like that of Munsey will never be caught napping." — The Expositor, Brantford, Ont.

"It Is Not So Much The Ignorance Of Mankind That Makes Them Ridiculous, As The Knowing So Many Things That Ain't So."

I am indebted to Hon. Charles Murphy, Postmaster-General, for carbon copy of an adress to a women's society in Montreal, which contained this quotation, from Josh Billings, a humorous philosopher of half a century ago. Mr. Murphy thinks the expression is one which should be frequently recalled. He points out that the so-called emancipation of women, of which so much was being said in those days, was not new at all, at any rate as far as Ireland was concerned. He shows that women occupied positions of importance and exerted great influence in public life in the 5th century. He then proceeds to show that the enmities of to-day are due to ignorance, to the spread of false informaation, to "knowing so many things that ain't so."

This is especially true as to our views of success, especially those who have attained success in the professions as well as in business.

On the press, too, many of our best writers spend more time working out phrases to attack sound leaders than seeking sound facts on which to base constructive policies.

We applaud false gods and persecute prize pioneers.

It is not the men who occupy seats at the head tables and look wise who are doing the big things for us, but we erect monuments to artistic four-flushers while our children and our children's children pay taxes for their vanities.

As I have said, we of the press, our teachers and our preachers, our professors and demi-gods, and men in public life are mainly to blame. We do not go after the facts. We do not learn from experience. We have no sense of proportion.

I have been using the story of the late Frank Munsey as an example to bring this thought home.

Mr. Munsey was an outstanding type of men who have done great things for us, who have been unrecognized, unappreciated and abused. I have gone over the world's successes and I can think of no other man who has left behind him such a remarkable record of public service and national benefit.

### Canadians Who Are Not Appreciated

And there are hundreds of men in Canada doing just what he did, but doing it in a small way, who are unappreciated and abused to-day. They are going on and will go on working for us whether we help or hamper them, but they can do more for us if we will at least not hamper them.

Mr. Munsey has been mainly abused for his so-called publishing ventures and so-called failures. As I pointed out in a former article, Mr. Munsey was a Dr. Banting of the publishing business. He had a number of publishing failures before he won his great success. Dr. Banting had hundreds of failures before he won his final success—Insulin.

One of my earliest recollections of Mr. Munsey was his ambition to give the public the greatest quantity of sound quality at the lowest price. I showed last week how he had done this in the grocery business. The grocery business was just a chance development embarked upon to save another investment, and one in which he took no interest whatever after he had, through a long series of experiments, found how to sell high-grade groceries at low-grade prices and make big profits.

### The Pioneer in Mass Selling

But it was in the publishing business that he did the most spectacular pioneering for the publisher and the public. It was a far reaching achievement in economical mass production and distribution. Advertising was a field in which he took no personal interest, for which he had no taste. To him it was a by-product of journalism. It had not developed to its present sound basis.

Because of our long friendship I may be regarded as too sympathetic, but let me quote from a recent article by the editor of a leading N. Y. technical paper, "Advertising and Selling," in a critical analysis of Mr. Munsey's career. He says:

"Frank Munsey pioneered in the development of mass circulation that has helped to make possible mass marketing. Without the influence of Frank Munsey and his indefatigable labors of the past forty years, marketing on our present broad, national scale would hardly be possible as yet. Let him be remembered, therefore, not merely as a publisher whose story reads like a business romance, but as one who has indirectly contributed much to the progress of business through his influence on the development of a mass market of national proportions, which has in turn made possible quantity production and low prices on the good things of life. With driving ambition, and courage that knew no compromise, he poured himself into his enterprises until at last he was publishing to millions. And in doing this he was unconsciously pioneering in the creation of what we of to-day know as a national mass market by developing mediums for talking to that market and crystallizing national tastes, desires and habits of life and thought."

The world's greatest business problem to-day is not production but economical marketing. It is in the Canadian press every day. It is now as much the problem of the farmer as of the manufacturer.

Mr. Munsey did not, perhaps unfortunately, follow his lead in the magazine field, and fought his way through the temporary craze for vileness in cheap literature, to which he wisely refused to descend. He had become interested in finance and national affairs. He was active in the Republican party and he drifted into daily newspapers. He drifted into and became involved in the New York fields beyond what he originally intended.

### Saves New York $5,000,000 Yearly

We regret the absorption of old newspapers just as we dislike the disappearance of old landmarks to make way for handsome, modern buildings; but his activities in New York alone have saved the citizens in duplication of advertising and subscription expenditures, I estimate roughly, at least $5,000,000 a year. They have enabled the remaining newspapers to improve their standards and give much better service, while in Mr. Munsey's own case, he evolved and left behind him the Sun, the finest and most prosperous evening newspaper in the world. Of the papers he took over, some of them, like the New York Herald, were dying of starvation; others were the tools of, and living on, the charity of Wall Street financiers.

There was perhaps one outcome of all these deals over which Mr. Munsey had disappointment, but no regret. That was the sale of the Herald to the Tribune. This result was a tribute to his generosity and sound commonsense.

In the story of the Herald-Tribune episode, we have a valuable lesson in sound business and wasteful practice, not only for competing newspapers but for competing businesses. They were both morning papers. Each was an advocate of Republican principles and policies. Each was conducted on clean, sound lines. Each had millions of spare capital back of it. But each was losing money. Each was carrying pretty much the same advertisers and thousands of readers bought both papers. There was great economic waste. The owners were gentlemen and the competition was clean, not destructive, but each knew that it was wasteful. Each wanted to buy the other but neither would sell.

I had Mr. Munsey's story of the transaction for which he was very severely criticised, especially by readers of The Herald, not through any unfriendliness to Ogden Reid, but The Herald had become a landmark. I prefer giving it mainly from the Reid's side. Mr. Munsey was very modest and not generous to himself. Mrs. Whitelaw Reid and Mrs. Ogden Reid told me the story in all its bearings last winter and, in doing so, again and again expressed the deepest gratitude to Mr. Munsey for his consideration of their feelings, for his fairness and generosity—a striking example to some of the leaders in the Church Union movement here. He had worked out plans for great developments in The Herald. Some of these he had put under way. He was urged by Republican friends to make one more effort to buy The Tribune. He had several more interviews with Mr. Ogden Reid. Neither would sell. Both were adamant. It was not a question of price. Finally Mr. Reid frankly explained their real reasons for not selling, namely they were in honor bound to retain The Tribune in the family and carry on the traditions and work of his father, the late Whitelaw Reid, for so many years its editor. With them it was a sacred duty. Mrs. Reid told me that instantly Mr. Munsey's attitude changed. He had not seen the matter in this light before and said in effect.

"Mr. Reid, this upsets all my ambitions and the plans I have worked on so long and so carefully, but in view of what you say, my hands are up. I will let you have the New York Herald on your terms, with certain reservations such as using the 'Herald' first and always in your title."

### Success of the Herald-Tribune

Mr. Munsey went away crestfallen but satisfied that he had done his duty to the Reids, to the Republican party and to the advertisers and readers in New York. The result is to-day that the Herald readers have, under young Mr. Reid, a better newspaper than ever before—clean, upright—financially prosperous, I have no doubt—and above everything, with owner-management and editorial direction, independent and straight.

(Since dictating the above the annual records of business carried has come to my desk and it shows that Herald-Tribune made the greatest gain of any U.S. newspapers in 1925).

### Experiments Lead to Success

Mr. Munsey's first great experiment in daily newspapers was the purchase of the New York News. He learned two valuable publishing lessons from that. A great part of its advertising came from questionable sources, that is political graft, which he at once very properly discarded. It had a strong circulation among the masses. He improved it to get the class readers as well. This experiment failed, but it was a valuable lesson which led up to subsequent successes.

Next, he had a string of dailies in Boston, Philadelphia, Baltimore and Washington. He put deep study and much time on these. They met with indifferent success. Eventually all were sold, but these experiments taught him very valuable lessons of what to do and what not to do in daily journalism. They led up to his final great daily newspaper successes. They taught him the lesson that too many of our professors of economics, perfectly sincere, labor agitators, advocates of public ownership and other theorists have yet to learn, that in industry, particularly complicated industry, you cannot give a man a formula and tell him to go to it and make a success. You must first have a series of experiences leading to final success and you must have a basic organization.

Mr. Munsey had learned all this, had succeeded in his final great experiment and was ready to go on once more into the daily newspaper publishing in other centres confident of success. A few days before his fatal illness he had decided to buy The News, Chicago, if it could be got for about $15,000,000—the price it later sold for to a syndicate of which Mr. Maclennan, an old Bruce County boy, is one.

There has always been much interest and much misinformation on his other newspaper deals.

### Other Newspaper Deals

The New York Press was purchased by Mr. Munsey because he wanted a New York paper to support Theodore Roosevelt in the Progressive campaign. He was proceeding to build it up when he was approached by leading citizens, who had the best welfare of New York at heart, with an earnest request that he take over the New York Sun, morning and evening. The paper was then practically bankrupt in that it was subsisting on the charity of financiers. Moreover, it had no really good news service and could not get it. The Press had this Associated Press service. Mr. Munsey bought the Sun in the interests of good citizenship. He brought to it the A. P. service and sunk the Press in the Morning Sun. He retained the Sun staff including the brilliant E. P. Mitchell, who had been Mr. Dana's chief editor.

This still left the Evening Sun without the Associated Press Service. The purchase and absorption of the Globe gave it this important asset.

The story of the consolidation of the New York Mail with his own paper, The Telegram, is especially interesting. When the Germans were unable to buy the Press from Mr. Munsey at any price while the war lasted, they acquired an interest in The Mail through Dr. Rumley. The facts are entirely different from the published stories. Mr. Munsey did not want The Mail and resisted its purchase for a couple of years, when he finally took it over in the interests of strengthening the entire newspaper situation in New York. I happened to be present at two interviews when Dr. Rumley pleaded with Mr. Munsey, and later Mr. Stoddart, the editor, joined us in the south and pressed the matter on Mr. Munsey for several days, without effect until a year later. Incidentally, one of the most charming tributes to Mr. Munsey at his death came from the pen of that brilliant writer.

In all these months he endeavored to protect the employees. In no case where men suffered, was it with his knowledge, nor was it his fault. We all object to changes in our routine or work, and are not always tactful about it, for changes in management or ownership in any business invariably lead to friction. I remember Mr. Munsey in answering my inquiries as to the financial results in the present Evening Sun said that while he was doing splendidly he was losing money, for he was carrying $1,800,000 excess salaries and wages until all excess employees due to amalgamations could be absorbed. These were all taken care of. The Sun now is a big earner.

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# BESCO AND MEN ARE MEETING ON COMMON GROUND

(Continued from page 1)

tion for actual value of operating plants only.

One of the most curious actions of the convention was its refusal to endorse or support a higher tariff on coal at the very moment when nearly every other Nova Scotian interest is urging such action upon the federal authorities to end unemployment distress in the coal fields. The reason given was that "securing tariff changes is the business of the operators and the capitalistic politicians" which led President MacLeod to remark from the chair.

"It sounds rather strange to hear you taking this objection to capitalistic politicians in view of the fact that not very long ago MacDonald, high protectionist, had 6,000 majority over a labor candidate in this very district which is mostly miners."

Another evidence of the change of heart among the men was the violence with which the convention turned down a proposal to leave out of the new contract the clause re-supplying maintenance men in event of strikes. It was stated frankly the plan of withdrawing maintenance men followed in 1925, had been a failure, ruined the mines, hindered re-employment and only brought troops in more quickly.

The victory of the Duncan Wage Scale in spite of the presence of Jim McLachlan, Tim Buck, of Toronto, and a lobbying campaign carried on by the O.B.U. shows that the old Red appeals have lost their attraction for the C. B. miners.

That Besco and the U.M.W. came near achieving what, in ring parlance, would be called a "double knockout" in their last battle in the spring of 1925, was one of the interesting pieces of "secret history of the war," that came out during the convention. According to frank statements by President MacLeod and others who were on the inside of the Duncan enquiry, the union had hardly $25 in the treasury when government intervention ended the fight, while the probe showed Besco itself to have been none too well prepared for further hostilities.

### Radicals Repressed

There was some talk among the more radical delegates about going ahead and "pushing Besco over the cliff," (I. E.—into bankruptcy). But this was strongly repressed by MacLeod, Nearing, Norman Roberts and others who have not hitherto been noted for their conservative views. Evidently the enquiry has been an eye opener all round.

Many delegates came instructed by their locals to oppose the Duncan basis, but voted the other way on their own responsibility after hearing confidential figures as to the state of the coal industry from President MacLeod, who also dealt with the condition of the union, saying at one stage: "This Report came along just in time to save us and the industry. Wolvin was talking about enforcing the 1917 rates, and if he had done so we had not the strength to oppose him—or if we had made one last despairing effort, ten chances to one, Besco and all of us would have gone down to ruin together. Such sense of decency as this corporation has forbid it to try to evade the wage findings of this report, and for us to fail to avail ourselves of this means of salvation now would be the grossest foolishness.

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# London Loan Made Good Showing in 1925

Increased net profits for 1925 are reported by the London Loan & Savings Co. at $76,611, compared with $72,626 for 1924. Following are comparative figures showing the profit and loss record:

Profit and Loss

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Net profits | $76,611 | $72,626 | $71,349 |
| Bal. forward | 3,796 | 3,580 | 4,636 |
| | $80,407 | $76,206 | $75,985 |
| Distribution— | | | |
| Dividends | 62,410 | 62,409 | 62,405 |
| Reserve | 10,000 | 10,000 | 10,000 |
| Balance | 7,997 | 3,796 | 3,580 |
| | $80,407 | $76,206 | $75,985 |

Eight Years' Record

| Year | Paid-up Capital | Profits | Div. | % av. Cap. | Earn. Rate |
|---|---|---|---|---|---|
| 1925 | $891,571 | $76,611 | 7 | 8.6 | 5.7 |
| 1924 | 891,571 | 72,626 | 7 | 8.1 | 5.4 |
| 1923 | 891,539 | 71,349 | 7 | 8.0 | 5.4 |
| 1922 | 891,589 | 74,068 | 7 | 8.3 | 5.6 |
| 1921 | 891,444 | 73,191 | 7 | 8.2 | 5.6 |
| 1920 | 891,383 | 81,125 | 7 | 9.2 | 6.3 |
| 1919 | 888,321 | 83,121 | 7 | 9.4 | 6.6 |
| 1918 | 887,849 | 83,920 | 6+1 | 9.5 | 6.9 |

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# Letters to the Editor

Editor, The Financial Post:

Sirs.—I am somewhat amused at the editorial attitude of your paper, in view of the news items which you publish. I have taken the trouble to go quickly through your issue of Jan. 22, and mark several of the items indicating the gradual and sure improvement in business conditions in Canada. Yet in spite of the news items which you print, and which I take it must be accurate, you persist editorially that conditions are unsatisfactory. Possibly if you would name the man and the party who are to accomplish your ideals, you might be able to create a public opinion which would accomplish your ends, but your criticism seems to be negative, and your suggestions of leadership vague, and therefore I am led to the conclusion that the trouble is as you said in your editorial on the front page of last week, "We have had our election and failed to get what we wanted." There is nothing like being frank and having failed to get what you wanted, another opportunity is sought.

I think the average business man is contented to let things work out now, and to attend to his own affairs, and take advantage of the increasing prosperity which is ours if the opportunity is embraced.

For your information, I am mailing you last week's paper with my markings in order that you may see for yourself, the information which you convey to the public, as contrasted with your views editorially.

Yours truly,
W. E. SINCLAIR.
Oshawa, Jan. 25, 1926.

THE FINANCIAL POST

Member Audit Bureau of Circulations.
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE
Editorial Director—F. S. CHALMERS
Editor—J. W. TYSON

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Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

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The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulation, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, FEBRUARY 5, 1926

### DEEP WATERWAYS ECONOMICS

THE Great Lakes - Tidewater scheme has many features which find a popular reception, but P. R. Enderby, general manager of the Canada Steamship Lines, seems to put his finger on a weak spot in the project when he points out that this $500,000,000 scheme would necessitate heavy carrying charges to be paid by the ocean-going vessels using the deepened canals or by the taxpayers. This would result in increasing the cost of transportation whether paid in the form of taxes or actually on the grain itself.

Last year the port of Montreal handled about 150,000,000 bushels of grain; Mr. Enderby suggests that, at the utmost, not more than a further 200,000,000 bushels could be handled via the St. Lawrence—if indeed this amount. It would be this additional tonnage which would have to carry most of the fixed charges on the new waterways, and would in this way lower the price the farmer would obtain for his produce.

If the St. Lawrence project can be shown to be economically sound, it will, we believe, receive the wholehearted support of Canadian business men, whether they be domiciled in Montreal, Winnipeg or Fort William, but taxpayers generally are growing skeptical of great undertakings which are launched with glowing generalities and carried forward on waves of inspired enthusiasm. The Grand Trunk Pacific has not been forgotten.

### "IT'S AN ILL WIND—"

THAT well-known saying about the ill wind seems likely to be exemplified in the future in relation to Canada's coal and coke industries. The strike in the anthracite mines in the United States and the curtailment of hard coal shipments this winter, have forced many former users of anthracite to adopt substitutes, and, if the expressions of users go for anything, there will be a great many householders in Central Canada who will in future burn coke or some other substitute fuel even when anthracite is again offered, particularly if the former spread in prices is re-established. Speaking on the fuel situation at the annual meeting of the Toronto Board of Trade, S. B. Gundy, the retiring president, said:

> "It is quite possible to produce coke from Nova Scotia coal of the first quality and sell it in our domestic markets in competition with that from the United States. With respect to Alberta coal, experts believe that the best quality mined there can successfully compete here with anthracite for domestic purposes if the railways in co-operation with the government of the province of Alberta and the government of the Province of Ontario will combine. It is difficult to overstate the tremendous economic importance of a policy which would result in the independence of Canada in the matter of coal."

Sentiment may play some part in the development of a Canadian market for Canadian coal, but in the last analysis the future of Canada's mines lies in their ability to provide a substitute for anthracite which will prove itself economically. The strike has given Canadian coal and coke an opportunity to demonstrate their effectiveness and their performance during the present coal famine promises to do more to remove the prejudice against domestic fuels than could have been possible during many years of normal conditions.

### KILLING ALBERTA'S FUTURE

EIGHT-HOUR working days, schemes for both health and unemployment insurance, distribution of school books and supplies through the government to school districts, old-age pensions, a provincial industrial disputes act, and several changes in the workmen's compensation act, including provisions for appeals on the board's decision, are among the things asked by the Alberta Federation of Labor from the Alberta Government. A delegation recently waited on the government to enforce these demands.

From the standpoint of obtaining and maintaining a good standard of living, organized labor will have the support of the public, but it would seem to be a very short-sighted policy on the part of the leaders of the Alberta Federation of Labor to be making demands at this time, which, if conceded, can only have the effect of raising the cost of producing Alberta coal, when every possible means is being considered to get that product into the Eastern Canadian market at the lowest possible price to supplant imported fuel. If these same leaders came with suggestions whereby the cost of mining coal could be reduced, they would be displaying an effort to accomplish something for the welfare of the industry on which they are dependent for their present good living and the better things they are asking for.

In view of the fact that Alberta miners are at present highly paid—their wages are much higher than those of others doing similar work in other trades, and much higher than those of the miners in the Maritimes—there would seem to be ground for the charge made by the mine owners of Alberta, that there is a definite effort on the part of the International Labor organization to which the miners belong to increase the cost of mining Western coal to a level where it cannot economically be shipped East to compete with the product of the American mines and American miners.

### PUBLIC ECONOMY ESSENTIAL

REPORTS of improving business should not be interpreted as meaning that the need for public economy is no longer urgent. Nearly a decade after the war Canada is still burdened with a load of public indebtedness which makes industrial revival almost an impossibility. And we really have taken no radical steps to reduce it. The urgency for economy has been stressed by a number of the country's foremost bankers, despite the fact that these very men feel the industrial stagnation possibly more than anyone else, and would naturally welcome an increase in demand for loans. A. W. Austen, president of the Dominion Bank, in his address to the shareholders of the bank recently said:

> "Regarding taxation—economy is not a popular doctrine, but never was the need more urgent than now for the Canadian people to follow it. We are entering upon the eighth year of peace, and while it is true that successive refunding operations have reduced carrying charges somewhat, no appreciable reduction in the war debt has yet been effected. The magnitude of this problem is staggering, but sooner or later it will have to be faced, and the first step towards dealing with it should be drastic curtailment of public expenditure."

Such a statement is worthy of the most serious consideration by all governing bodies.

### CLEAR THE POLITICAL AIR

THE desirability of some definite step to clear the present political atmosphere, so that the cloud of uncertainty which is impeding business recovery will be dispersed and let the sunshine of prosperity through, was emphasized by W. G. Gooderham at the annual meeting of the Canada Permanent Mortgage Corporation. He said in part:

> If it were possible at an early date to be released from our unfortunate political situation, and a patriotic statesmanship untrammelled by the necessity for barter and bargaining for political existence could be given an opportunity to solve the national problems which are pressing for solution, there can be no doubt that the moderate improvement of which the foregoing figures afford evidence would be accelerated, and no one would have any doubt concerning Canada's prosperity.

The point made by Mr. Gooderham is one on which there is general agreement among business men. Some go so far as to declare that the holding of another election is the only way out of the present political impasse. Others refrain from a definite statement on this point, but they suggest no other method of attaining the desired end.

### EDITORIAL NOTES

THERE will be general agreement with Sir Henry Thornton that Alberta coal should not be carried by the National railways at a loss. If it is decided that it is in the national interest to supply Central Canada with Western or Eastern coal when the American product can be placed on the market at a lower price, then some plan should be worked out without asking the railways to shoulder the burden.

IT IS interesting to note that it is to Mr. Meighen, leader of the Opposition rather than Mr. King, leader of the government, that the Farmer's Sun directs its observation that the country generally may as well face the fact that, not three or four millions, but more than twelve times that sum would be necessary to complete the Hudson Bay Railway and the harbor improvements necessary to make it of any service in the short season of navigation provided by Nature; and that the whole scheme is, under the existing financial situation, ruled outside of the realm of possibilities.

# Dean of Life Insurance Retires

## L. Goldman, President of North American Life Assurance Company, Breaks Link With Work of Lifetime — Mid-Victorian Gentleman, With Progressive Business Ideas, He Was Leader in Many Forward Movements in Life Insurance

By FLOYD S. CHALMERS

*SOMEONE said to the dean of Canadian life insurance men not long ago: "Mr. Goldman, you're terribly mid-Victorian."*

*"Thank God for that," was Mr. Goldman's reply.*

* * *

THIS week a mid-Victorian gentleman severed the tie that has bound him to his life work for over half a century. Leo Goldman, president of the North American Life Assurance Company, resigned. In his retirement, life insurance loses one of the men whose lives and works span almost the whole range of life insurance progress; from the early days of guesswork, public suspicion and sharp practice to the glorious present, with its scientific accuracy in the measurement of the possibilities of life, its bright light of public confidence and its high standards of service and morality. And in Mr. Goldman's retirement, life insurance in Canada loses one of the men who have shaped the course of that institution towards its present sincere ends.

### Not Conservative in Action

Yet in his retirement there cannot be said to be a break with the past. And this is why: Mr. Goldman has never been as conservative in practice as he has been in principle. His was the conservatism that tempered but did not rule; that guided and influenced courses of action without domineering and dictating.

He was of the old school in thought but of the new school in action; he was mid-Victorian in his unwillingness to give up a good thing just for the sake of change; but essentially Twentieth Century in his eagerness to grasp new ideas, when they had the merit to demand attention.

This even tempering of his character has shown itself in many ways, through all his life. It has shown itself in carefully chosen investments he has made on behalf of his company; in his attentive buttressing of the financial walls at the same time that new ideas, new executives and new policies have been brought forward. It showed itself at the company's annual meeting the other day, when the traditional practice of having the secretary read every figure in the annual report—a practice long discarded by most financial institutions as too hard on the shareholders—was followed, although Mr. Goldman so far cast tradition to one side as to crack jokes with the shareholders between dusty resolutions.

### Over Half Century of Service

Mr. Goldman is in his seventy-fifth year and he has been actively engaged in the insurance business for fifty-three years. Now he has retired.

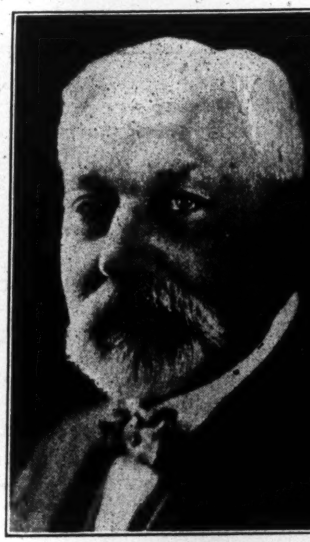
He has made a clean break; not even retaining a seat on the directorate of the company with which he has been associated since the time, forty-six years ago, when he was secretary, agency supervisor, chief clerk, and a host of other things, all combined in one. He is going to devote himself to rest in its manifold forms; including, in particular, reading, traveling, and playing golf. His 100 per cent. retirement is typical of Mr. Goldman. He is not a man to take second place easily. He has been blessed with the power of leadership and with a potent desire to utilize that power effectively. Leadership to him means action. Nominal headship would bore and irritate him. He must drive the whole team or drop the reins entirely. And so he has dropped the reins.

Mr. Goldman is an Englishman by birth; he was born in London seventy-five years ago and came to Canada at the age of 22, at once getting into the life insurance business as an accountant with the Confederation Life. After eleven years of service there, he came to the notice of the late William McCabe, who asked him to join in the formation of a new life insurance company. Mr. Goldman agreed and become secretary of the North American Life Insurance Company. His title was nominal for his work ranged over a much wider field than secretarial tasks. He and Mr. McCabe, between them, divided up all the work at the head office and for the first year they had no assistance in launching their young company upon its path so bestrewn with obstacles to be surmounted.

### Never Was Capital Impaired

They worked from 8 o'clock to 10 o'clock most days without Saturdays or holidays off. But they labored not in vain. At the end of the first year the company had a small surplus. For those not familiar with the life insurance business, be it recorded that this is a most remarkable record. Nowadays, life insurance companies start up with large premiums paid on their capital shares. The premiums really represent contributions to meet organization and first year expenses, leaving the actual paid-up capital for more permanent uses. And even under these circumstances most young companies have deficits or capital impairments in their accounts for the first few years. There was never any impairment of the capital of the North American Life from its first year to the present date, although there was never a dollar of premium paid on the capital stock and only $60,000 has been invested in the company in its entire life. The record is chiefly due to the careful and hard work of the first few years.

In the second year of its history, the company made a significant addition to its staff. Mr. Goldman was somewhat impressed by the eager ambition of an alert young messenger lad who brought proofs of letter heads and other printing jobs from the printing office that did the company's work. The boy was about thirteen years old. Mr. Goldman asked him one day, "How would you like to get into the insurance business?"



LEO. GOLDMAN

"Fine. When can I start?" asked the messenger boy.

He started at once and for the next few years he studied hard under Mr. Goldman. In time he become one of the world's foremost insurance actuaries; then he entered the bond business and achieved wealth and fame. A call to public service made him city treasurer of a large Canadian city at a time of financial stress and finally he became general manager of an immense industrial organization. That man, in whom Mr. Goldman saw possibilities at the age of thirteen, is Thomas Bradshaw, general manager of the Massey-Harris Company.

The company prospered under Messrs. McCabe and Goldman, assisted by the organization they were able to build up in time. In 1903, Mr. Goldman became the managing director. The company had then the magnificent total of $30,000,000 of business in force, a figure which has been entirely eclipsed by the fine advances made since to the present total of $138,000,000 of business in force. Later, Mr. Goldman became vice-president as well as managing director and in 1916 was elected president.

Under Mr. Goldman's management, the North American has become one of the most important of Canadian life insurance companies. One reason for its advance has been the fact that Mr. Goldman has shown exceptional ability in choosing good men to work with him. He has taken many men as young boys, just as he took Thomas Bradshaw, and has given them opportunity to show their power to develop. And in a goodly number of cases, high executive ability in his asistants has been his reward.

"There is nothing secret about the formula," Mr. Goldman told me the other day. "All you need is a good living type of chap with something of the habits of a student. Give him a chance to develop and if he grows up with his job he is going to be successful. But if he does not show any power to grow, then the kindest thing to do is to tell him frankly that he is in the wrong kind of work and let him go."

There are in his own on other Can-

(Continued on page 23)

# Pulp and Paper Association President Won Attention as Careful Spender

## L. R. Wilson Appointment Proves a Popular One in Pulp and Paper Industry — His Early Business Connections and Rise in Canada

By RIELLE THOMSON.

The turning in of necessarily large expense accounts is never a pleasant experience, no matter how worthy the cause. Most people have passed, at one time or another, through this rather trying ordeal. One young man, however, some thirty odd years ago was actually called in before his board of directors to give a reasonable explanation of an expense account which he had submitted for a three weeks' stay in New York.

That young man was Lee Roy Wilson, vice-president of the Abitibi Power and Paper Company, and the newly-elected president of the Canadian Pulp and Paper Association—an organization which looms large on the horizon of Canada's industrial life, but which does not advertise itself nor the benefits which its component companies have brought to the Dominion. The man in the street therefore, has not perhaps a realization of the importance of this association and does not know it to be, possibly the most important business organization in Canada.

### Started Early in Business

However, to return to L. R. Wilson's exorbitant expense account. Born in the middle-western states of the U. S., it was natural that at a very early age he gravitated to the milling business, and at such an early age indeed, that as nothing more than a boy he was placed in charge of a country elevator in Dakota. At that time it was said he was the youngest man—boy would have been the correct word—to have charge of an elevator in the States.

In due course he obtained promotion, and, as a very young man, was sent to New York City for three weeks on business for his firm. Young Wilson did his best, but his expenses mounted, mounted and still mounted. He climbed into his homebound train with a heavy heart, knowing full well that his expenses would cause trouble.

### Dragged Before the Board

On returning to the head office of his company—Duluth, I think it was—Wilson was greeted with the news that he would have to attend a board meeting and give some explanation of the expenses incurred on this trip. The fateful day for the board meeting arrived; it was indeed a humbled young man who was ushered before the president and the directors.

Said the president, "Young man, how long were you in New York?"

A subdued voice replied, "Three weeks, sir."

"This then is your expense account?" continued that inexorable voice.

"Yes, sir." The answer was barely audible.

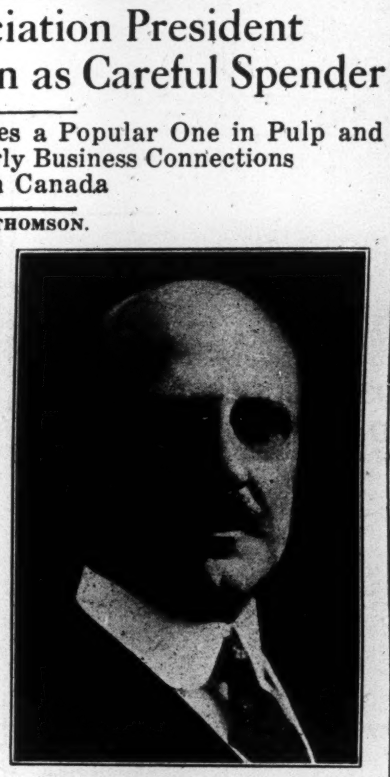
"Extraordinary," laughed the president, "we merely wished to know how you managed to keep your expenses so low."

This incident indicates that young Wilson had a healthy regard for the manner in which he spent the money of others and may perhaps account for his rise to his present position, that of executive head of one of the most successful and ably-managed paper companies in the Dominion.

### Came in Contact With Anson

It was in his younger—and perhaps more exciting—days that Wilson first came in contact with the late F. H. Anson who, knowing his qualities, first brought him to the Abitibi Power and Paper Company.

During his time in the milling business, Wilson came in contact with C. M. Warner, who became impressed with his abilities and brought him to the east; there he labored for the Warner Sugar Refining Company.



L. R. WILSON

When the Atlantic Sugar Refineries was first conceived, F. H. Anson was appointed vice-president and managing director; he naturally turned for assistance to his old friend with whom he had shared the same desk in the milling business in the States. By this time, Wilson had obtained a thorough knowledge of the sugar business and came to the Atlantic Sugar Refineries in 1912 as treasurer. He was at Saint John, N.B., when the ground was first broken for the new plant, and there he remained for a year, coming in 1913 to Montreal and continuing to carry out his duties for the refinery, but in addition, he was appointed treasurer of Abitibi.

### Abitibi and 'Lantic Connections.

It will be recalled that Abitibi and Atlantic Sugar were financed by the same interests. It is interesting also to look back to that time and remember that then Atlantic Sugar was regarded as by far the better bet—a much sounder proposition than Abitibi.

As both these companies were so closely connected, they shared office space; hence Wilson's appointment as treasurer of both organizations.

When F. H. Anson turned his energies exclusively to Abitibi, Wilson was obviously the man to take charge of the destinies of 'Lantic Sugar; he did so until 1917 when he was made secretary of Abitibi. Some time previous to this, he had become general manager of "Sugar" and had been forced to discontinue his connection with Abitibi. But through his previous association with the paper company, he was well equipped to carry on his new job. Incidentally, he was called secretary, but his duties were considerably wider than that word usually implies. He is still a director of "Sugar."

### One Banker's Words

Bank managers as a rule are not apt to have a particularly high opinion of those with whom they do business; it may throw some light on how L. R. Wilson is generally regarded to recall the words of the banker with whom Atlantic Sugar transacted its business at the time Wilson left to go to Abitibi. This manager said to an acquaintance; "I am sorry to see Wilson leave; I have never run across any man in whose word I could place more reliance. He never failed to carry out anything which he promised."

Wilson's appointment as president of the Canadian Pulp and Paper Association is indeed popular with those in the industry. This is natural; everyone who has come in contact with the man has a good word to say of him—and this applies, not only to friends and associates, but also to employees; the latter is possibly a better index of the man's make-up. Wilson has an even temperament which is not easily disturbed. Of course, once in a while he lets go, but what first class man doesn't fly off the handle occasionally?

### Can Turn a Witty Phrase

In 1923 he was made general manager of Abitibi and later was elected vice-president. One of his attributes is the ability to say the right word or two in the right place; this characteristic loses nothing of its forcefulness through frequently being given a humorous turn.

They say that Wilson is a keen golfer and goes around in anywhere between 86 and 100. "But on the other hand," said one of his friends, "thank heaven he does not regale us later with intimate and boring details of just what occurred on the fourth fairway." It is said, incidentally, that at Dixie, one of his clubs, he has never been known to miss a Saturday afternoon sweepstake.

Wilson's outlook on life seems to be one of simplicity and sincerity which, fortunately, does not interfere with his love for fun, but which does express itself in a keen and cordial detestation of any form of personal publicity. The only reason this article appears is due to his acquisition of a now love—that of motoring.

To-day he is speeding southward on a motor trip brought about through ill-health. Had he been in Montreal, and known of this story, it would not have had a chance of appearing on the printed page.

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## A Janitor or a Millionaire

To serve the average Canadian in the investment of his surplus funds from salary or business is the main purpose of The Financial Post, "The Canadian Newspaper for Business Men and Investors." The criticism has been heard that The Post's service is of value to men of wealth rather than those with small incomes. No more effective reply to this criticism could be offered than the following striking testimonial from a regular reader who explains that his source of income is the pay for his services as janitor. He said:

"I am just a worker. Noted views and suggestions in The Financial Post; saved and invested and got well on the road to independence. Had enough for one, but speculated recklessly to insure my family's comfort. Dropped $4,000. Got this money with the help of The Financial Post in three years. Now badly bent but I mean to make my loss a stepping stone with The Financial Post as a good right hand."

The investors' service of The Financial Post is planned for the worker or the capitalist.

# *Your Investments*

**Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.**

### The Asbestos Merger

W. J. D., Toronto.—Can you give me any information as to when the asbestos merger is likely to be completed? Is there to be an issue of general mortgage bonds, preferred or common stock; if so, when?

The asbestos merger has been completed. Final arrangements for the exchange of securities are at present being completed. We believe that securities of the new Asbestos Corporation will shortly be distributed to the shareholders in the old company.

No, there is to be no issue of general mortgage bonds, preferred or common stock. It will simply be an exchange of securities.

The recent issue of first mortgage bonds is all the financing which the new corporation will undertake. Possibly, in the future it may be necessary to purchase more property; naturally, further finacing would be undertaken at that time.

### Manufacturers' Finance

*A. C., Toronto.*—Do you consider stock of the Manufacturers' Finance Corporation, Ltd., a safe investment, and, in your opinion, would it be easily converted into cash at any time on the market?

You can hardly class this preferred stock as being the class of safe investments, if there is such a thing. Rather we would class it as a business man's investment. The lack of a ready market is a weak point with many really good preferred stocks, they lack marketability. If you are in a position where you may be called upon at any moment to realize on your assets very quickly, we would suggest that the safe course to pursue is to purchase listed stocks which are traded in on the Stock Exchange from day to day and which can generally be sold on a few hours' notice. If you want an investment with a permanent return Manufacturers Finance preferred might suit you.

### Viau Biscuit

G. R., California.—What do you think of the common stock of the Viau Biscuit Corporation?

We believe you would be better advised to purchase the preferred stock of the Viau Biscuit Corporation with its 33 1-3 per cent. bonus of common stock rather than to buy the common at $30 per share.

By purchasing the preferred you would obtain an excellent yield on your investment and you would also obtain the speculative attraction of the common shares.

We learn that the common stock of the corporation is shortly to be listed on the exchange here and the preferred shares will be listed subsequently. Should you decide to purchase only the common stock, we believe that after the stock has been listed you very possibly might pick it up for less than $30 a share. The underwriters of the preferred shares are making no effort to sell the common stock; it is merely being distributed as a bonus with the preferred.

### Dominion Foundries

C. S. W. B., Quebec.—I hold 25 shares common Dominion Foundries & Steel of Hamilton which to date have cost me about par, or $100 per share. A broker suggested buying 100 more shares to even up at, say, $5 or $6 per share. I would like to have your opinion regarding the future of this concern and whether or not you would advise this purchase.

A careful review of the past records of Dominion Foundries and Steel, of Hamilton, would indicate possibilities on the policy which you suggest of reducing your average price of the stock by purchasing perhaps one hundred shares at around $5 per share. We have never been very much in favor of the evening up process, always holding that a stock was either a buy or a sell, regardless of one's position. Dominion Foundries and Steel looks like a pretty fair speculation at the price of $5 a share. The company has a fair record and though its liquid position at the present time is not strong, it is seemingly doing better.

### Laurentide Paper

D. M., Nova Scotia.—I hold 50 shares of Laurentide Paper bought around 70 three or four years ago. It is now selling around 90 to 88 ex-dividend. I am strongly inclined to sell this stock and buy St. Maurice Valley Corporation preferred stock, new issue, with bonus of common at par, or at 92 not taking the common. Do you consider this stock the equal of Laurentide as regards safety of principal? The income is better, being 7 per cent. How do these stocks stand in your opinion as regards prospects of appreciation in value? Laurentide Paper has been disappointing in this regard to me.

We are rather surprised to learn that your purchase of Laurentide has been a disappointment—especially in view of the fact that you have a nice profit on the stock at present prices.

In the first place, it has always been the intention of Laurentide's mangement to make the stock in the company one for investment and not for speculation. This has long been recognized and, as you purchased the stock at 70, you have been receiving over 8½ per cent. on your stock during the past three of four years and, in addition, if you care to sell at present prices, you will have made a nice increase in your capital.

Now as to switching into the preferred stock of the St. Maurice Valley Corporation. If the outlook for the newsprint companies is good, why both Laurentide and the St. Maurice Valley Corporation will benefit. On the other hand, if you believe that the newsprint companies are in for a period of hard times, you would be wise to sell your newsprint stocks and purchase shares in other industries. As the newsprint industry is indigenous to Canada, and as the natural trend of the industry is toward this country, we believe that the further expansion of this industry in Canada will not be such as to endanger the newsprint industry as a whole.

Shares in the better newsprint companies have apparently left the speculative class and are now in the investment class. If this be so, your Laurentide stock is still well worth hanging on to.

Earnings of the component companies of the St. Maurice Valley Corporation over the past five years have been several times in excess of the dividend requirements of the new preferred stock. On the other hand, the margin of earnings over and above common stock requirements in the Laurentide Company has not been large but, from the financial structure of the company itself, you can see that the mangement has always pursued an extremely conservative policy, which has resulted in weaving great strength into the balance sheet.

The principal factor affecting the earnings of the newsprint companies is the price of newsprint. In view of the many new newsprint projects, we believe that prices will not move upwards shortly and, consequently, feel that, taken as a group, there is not much chance for a great appreciation over the next year in the newsprint group. In other words, the newsprint companies are no longer speculations but investments, and if you are looking for quick market action we don't expect this will occur in this group of stocks.

The cause for the recent rise in Laurentide stock has not yet been revealed. There have been many rumors but none have received official confirmation. The latest rumors indicate a still further appreciation in the value of the stock.

Preferred stock of the St. Maurice Valley Corporation is well secured, and earnings are ample to meet dividend requirements. We do not advocate the switch simply because we see no advantage to be gained by such an exchange in shares.

### Montana vs. Alberta Oil

George, Montreal:—I am offered shares in B. C. Montana Oil. Would you advise the same?

B. C. Montana Oil is being put out in Vancouver. The house handling it is a reliable house, and if you can afford to take a gamble, as all oil propositions are gambles, you might be justified in doing so for a small amount of money.

There are indications, however, that there is going to be a very material oil development in Alberta, with promises of good rewards for those who speculate in that field, and perhaps you might be as well advised to look over any offerings in that section before sending your money out of the country. Canada has all kinds of latent natural resources and only needs the capital to develop it, which promises to give capital that will take the gamble very material rewards for the chances taken when a win is scored. It is the big possibilities of such gambles in Canada that are attracting so much British and United States capital and it is just this fact that surprises us to see so many Canadians sending their money out of the country, when there are so many opportunities knocking right at their own door.

### Wants Quick Action

J. L. F., Little River, P. Q.—I purchased twenty-six shares each of Abitibi, Brazilian and Steel of Canada at 66, 72 and 84, and sold recently at 75, 82 and 98, respectively. The market in all these has dropped recently. Do you think these stocks are still good buys at present levels, or would you advise waiting a while longer in anticipation of a reaction? I am also holding thirty shares of "Steamers" preferred, bought at 54. What is your opinion of this stock? Also Woods preferred at 78, paying 7 per cent.?

You made a very satisfactory profit on your purchase of Abitibi, Brazilian and Steel of Canada. If they were good enough to sell at the prices mentioned by you, it seems to us that the slight reaction which you mention is not sufficient to warrant your entering the market again.

Apparently you are considering purchasing these stocks for a quick market turn—neither we, nor anyone else, are in a position to advise about market gambles. However, both Abitibi and Brazilian, in selling at present levels, are simply discounting future increased returns to the shareholders. We believe that you would be unwise in purchasing either of these stocks for a quick turn.

Steel of Canada stock is an investment and has already made a nice rise. We have no information which would lead us to believe that this stock will change hands at increased prices shortly.

The company's last balance sheet shows that the Canada Steamship Lines has outstanding $850,000 in 7 per cent. debenture notes due 1926 to 1927. Meeting these securities will occupy the full attention of the company and it would seem to us that your preferred shares of "Steamers" will probably sell again at the price you paid for them.

The preferred shares of the Woods Manufacturing Company are a good business man's investment and give you a nice yield. One of the reasons for the high yield lies in the fact that there is little public interest in the stock. The past six months have been good ones for the cotton textile companies and the Woods Manufacturing Company should have participated in the improved business conditions. Again, we learn that during recent months the millers in Canada have been experiencing better business—this should have resulted in more purchases of wheat sacks from the company.

### Bruck Silk Mills

Reader, Lethbridge. — What is your opinion of the bonds of the Bruck Silk Mills, due 1945?

The Bruck Silk Mills is a small company which began operations in 1922 and earnings since that date have been in excess of three times the interest requirements of its 6½ per cent. bond issue. The bonds are being sold with a bonus of 4 shares of common stock with every $1,000 bond. The common stock lends a speculative interest to the purchase of the bonds. In purchasing these bonds, you, of course, do not obtain a security which has established for itself a market valuation over a period of years, but to compensate for this, you obtain a bonus of common stock. We believe the company to be well managed and forging ahead.

### Sherwin-Williams Preferred

Subscriber, Lethbridge.—What is your opinion of Sherwin-Williams preferred stock?

During 1924 the earnings of the Sherwin-Williams Co. were considerably in excess of twice the preferred dividend requirements. During 1923 the earnings applicable to the preferred dividends were more than three times the amount required. This is an ably managed company and we understand that earnings during 1925 were better than in 1924. You will be quite safe in purchasing this stock.

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## Nominations for List of Best 25 Canadian Stocks

A broker in Western Canada suggests that The Financial Post obtain from investment houses recommendations as to the twenty-five best common or preferred stocks of Canadian companies. He explains that he has in mind a client who wishes to invest $1,000 in each of twenty-five Canadian companies.

The Financial Post has discussed this suggestion with a number of investment houses but finds that it is rather difficult to submit a satisfactory reply in view of the rather meagre information which has been submitted as to the investor's position. As one broker put it, it is rather like a man going to a doctor and asking for some medicine without telling anything about what is wrong with him. Which is another way of saying that the important thing to consider in suggesting investments is what the needs of the investor are.

The following lists of suggestions are submitted:

**List by Bongard & Co.**

Abitibi Power, common.
Abitibi Power, preferred.
Brazilian. common.
Brazilian, preferred.
Bell Telephone.
F. N. Burt, common.
F. N. Burt, preferred.
Canada Bread, preferred
Canada Bread "B", preferred.
Canada Cement, common.
Canadian Oil, common.
Canadian Oil, preferred.
City Dairy, common.
City Dairy, preferred.
Crow's Nest.
Dominion Stores "A" preferred.
Mackay, common.
Mackay, preferred.
Port Hope Sanitary, common.
Port Hope Sanitary preferred
Provincial Paper, common.
Provincial Paper, preferred.
Rogers, preferred.
Canadian Converters.
Canada Salt.
Dominion Bridge.
Dominion Glass, preferred.
Dominion Textile.
Montreal Tramways.
Ontario Steel Products, preferred.

**List By F. H. Deacon & Co.**
**Investment**

American Sales Book Co., preferred.
Belgo Canadian Paper Co., preferred.
Brantford Cordage 8 per cent. preferred.
Canadian Bakeries Ltd., preferred.
Canada Bread "B" preferred.
xGoodyear Tire & Rubber, preferred.
International Milling, preferred.
oPacific Burt, preferred.
Porto Rico Railways, preferred.
Provincial Paper Mills Ltd., preferred.
Winnipeg Electric Railway, preferred.
National Grocers Co., Ltd., preferred.
Dominion Radiator & Boiler Co., preferred.
x arrears 5¼ per cent.
o convertible.

**Speculative**

Brazilian Traction, Light & Power, common.
Abitibi Power & Paper Co., common.
Mackay Companies, common.
City Dairy Co., Ltd., common.
Steel Co. of Canada, common.
Twin City Rapid Transit, common.
British American Oil, common.
Imperial Oil Ltd.
Brompton Pulp & Paper, common.
Imperial Oil Ltd., common.
#William Davies "A"
Canadian Bakeries, common.
F. N. Burt, common.
xCanada Steamship Lines, preferred.
Duluth Superior Traction Co., common.
Winnipeg Electric Railway Co., common.
# $18 per share arrears.
x $28 per share arrears.

## POST-Scripts

AN OLD statement recently came to our attention for three barrels of oil, says the Imperial Oil Review. It is dated November 7, 1864, and the consideration is $103.63. This is interesting from the standpoint that today the same quality of refined oil can be purchased for about $14.15. This offers an idea of the manner in which the oil industry has expanded and improved in the face of increasing operating costs.

AND what is to become of the hairpin industry? Since milady has shorn her tresses and assumed the bob in various styles the demand for hairpins has been shattered. This involves a real problem for those who manufacture hairpins. But this is not the first time by any means that caprices of fashion and style have played havoc with manufacturing industries. What, it might be asked, has become of the manufacturers of night caps, elastic sided shoes, shaving mugs and many other articles which have ended their period of service at fashion's decree.

Enquiry among the manufacturers, however, fails to indicate that fickle fashion ruins many industries. Experience has taught them that fashions are short lived and that manufacturers must be prepared to adjust their output to every changing demand. For the most part it is a case of being ready and able to obey the style edicts as they are issued.

There are in some of the little known portions of Canada industries that are sending their output to the far corners of the earth, and yet their products are not those of which much is heard. When one goes through the five and ten cent stores and sees displayed such a wide range of articles there is a natural wonderment as to where they are all made, says the Natural Resources Intelligence Service of the Department of the Interior. It is largely in out-of-the-way places where such factories are located, where working conditions are good, where home life is of the best, and where each employee has a personal interest in production. An illustration of this class of industry is in the making of the humble wooden clothes pin. In the little village of Carleton, in Yarmouth county, Nova Scotia, is a wood-manufacturing concern whose chief product is clothes pins. This firm's product is finding a ready sale throughout the world. Seventy-five persons are employed steadily, and the output averages a carload every five days. Each carload runs about 1,500 boxes with 720 clothes pins to the box, so that the annual total production runs into very large figures. Located in the centre of a good hardware district, the concern is making splendid use of its available raw material.

THE activities of the T. Eaton Co., Toronto, would seem to have as their ultimate aim the complete covering of Canada with a chain of merchandising units, and this has been responsible for an immense crop of rumors regarding their plans. Every once in a while some paper appears with a story that Eaton's have bought this institution or that and the officers of the company are kept busy denying rumors regarding their plans.

Not long ago David Spencer and Company, of Vancouver and Victoria, had to take big space in the newspapers there to publish correspondence they had had with a Toronto paper that had published a story to the effect that the Spence store was being taken over by the Eaton Company.

Recent denial in The Financial Post that the Eaton Company was planning to take over an idle shoe factory at Truro, N.S., promotes the Truro News to express the hope that "These senseless stories of Eaton's buying up every old building in Truro that becomes vacant, with the idea of starting therein, will cease." The editor of that paper said "Anyone that brings another such story to the Truro News will be sent up for trial."

TALES of fortunes made in Canada's mines are as numerous as they are romantic. Few of them are fantastic; they do not have to be, since the truth about some of the lucky strikes in Canadian mining excels in interest the most optimistic fiction of the most crooked Wallingford.

Some years ago when a group of promoters were organizing an amusement company on shoestring capital they found themselves without the ready cash to pay the $500 incorporation fee demanded by their lawyer. One of the group owned an interest in the Hollinger mine and paid over enough stock to satisfy the lawyer's claim for the five hundred. The lawyer retained the stock. To-day it is worth over $30,000. Which is some fee for incorporating a company.

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**Municipal Bonds**
To yield from 4.90% to 5.40%

**Corporation Bonds**
To yield from 5% to 6.30%

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# News of the Investment Market

## MUNICIPAL BONDS SHOW TREND TO HIGHER LEVELS

### Confidence Reviving in Western Bonds as Conditions Improve

The keenness of the competition which occurred in the bidding in connection with the few relatively small municipal bond issues that came up this week indicates the high degree of receptiveness in the market. In the Midland issue which was for $35,000, there were twelve bidders between 99.00 and 99.55, an unusual situation in the Canadian market. Prices showed increasing firmness during the week, certain Ontario issues, among others having risen slightly. Nearly all of the better grade municipals were quite firm.

As the year proceeds, the effect of policies of economy on the part of municipal governing bodies is being felt. There are certain issues always coming forward, but the tendency to cut off non-essentials is manifest. In the West there are fewer issues than at this time last year and yet the country is in definitely better shape. Those issues that are being floated meet with a better reception than would have been the case some years ago—even a year ago.

This suggests a consideration of the present condition and prices of western bonds. It is easily recalled that borrowing was very heavy in the West during the period of rapid expansion ten to fifteen years ago. At that time money was very easy to obtain. Values were higher in the West and there was more money current. Population was increasing at an unprecedented rate, and everyone was optimistic for the future. It was only natural that the thing should be overdone—that too many buildings, and too large buildings should be erected, and that there should be no hesitation in borrowing all that one required, or thought one required, for public purposes in a growing community. This is what happened. When the bubble burst many municipalities found themselves badly in debt. The commencement of the war depleted the population, and made it difficult for many of the municipalities to meet their obligations. As a result, the financial centres of the country temporarily lost confidence in the West because of defaults, many of which were quite unavoidable. Bond prices suffered accordingly.

**Western Credit Recovers**

During the past three years the West has been paying its debts very satisfactorily, and the foundations are being laid for better business. Provincial boards have looked after the defaulting communities with the result that most of them are well on the road to being financially clear once more. This about-turn in the course of events lends an attractiveness to the western issues, at present prices, which seems likely to lead to heavier buying when the change becomes more apparent and pronounced. An example of the changed sentiment, possibly, is seen in the recent Regina issue in which the city obtained funds at a lower rate than for some years. The cost basis to the city averaged about 5.17 per cent.

The largest issue of the week was the Toronto Harbor issue of $2,000,000 4½ per cent. long term debentures, details of which are given elsewhere. The bonds constitute a first charge upon all the properties owned by the Harbor Commission as well as being fully guaranteed as to principal and interest by the city of Toronto.

### January Bond Sales

New Canadian bond financing in January totalled $26,540,150 which compares with $44,943,771 for January a year ago. The record is as follows:

| | |
|---|---|
| Municipal | $12,615,150 |
| Provincial | 5,200,000 |
| Corporation | 8,725,000 |
| | $26,540,150 |

### New Vice-President of United Bond Company

Wm. Brown, who for the past two years has been general manager of the United Bond Company, of Windsor, has recently been appointed its vice-president, still retaining the general managership.

Born in Melbourne, Australia, of Scotch parentage Mr. Brown received his first training in the British Linen Bank, Scotland, and there laid the foundations of that shrewd conservatism, and meticulous supervision over details, which banking, at its best, demands. Sixteen years ago he removed to Canada, and since then has been active in Canadian banking circles. This experience, coupled with that previously obtained in Scotland, has created in him a wide knowledge of investments.

The United Bond Company was started in Windsor four years ago by Howard C. Wade, its president, and president as well of the United States Mortgage Bond Company, Detroit, its prototype.

## AMERADA OIL ISSUE IS WELL RECEIVED

### Company Producing Crude Oil and Manufacturing Gasoline From Casing Head Gas

On Thursday, Dillon Read & Co., New York, placed before the Canadian investing public a substantial block of the Amerada issue through their Canadian correspondents, the Dominion Securities Corp. The Amerada Company is a holding company, owning the entire outstanding stock of the American Petroleum Corporation, the American Refining Corporation, and the Alabama Exploration Co. It is understood the issue was well received.

The total offering of 355,727 shares at $26 per share was apparently brought about by two circumstances. Hitherto the control of these companies has been in the hands of an English group headed by Lord Cowdray, who is the Rockefeller of England. Owing to unfavorable legislation in some of the southern states, affecting the holdings of foreigners, it was found necessary for the control to pass out of English hands. Secondly the proceeds from the sale of 125,000 shares of new stock will be used to extend the company's producing activities in the state of Texas and for general development. English interests will still retain a considerable amount of their holdings.

At present the company is engaged principally in the production of crude oil in the mid-continent field, and the manufacture of gasoline from casing head gas. The company produces some 9,000 barrels of crude oil daily and the earnings of the company for the past five years have shown substantial increase yearly.

**RAILWAY EARNINGS**

**Canadian Pacific Railway**

| | 1926 | 1925 | Change |
|---|---|---|---|
| Week end.: Jan. 31 | $4,091,000 | $3,941,000 | +$150,000 |

**Canadian National Railways**

| | 1926 | 1925 | Change |
|---|---|---|---|
| Week end.: Jan. 31 | $5,753,746 | $5,605,956 | +$147,790 |

## MANITOBA POWER CO. TO REFUND ISSUE

### New Financing Will Increase Output by 50% and Retire Present Bonds

From Our Own Correspondent.

MONTREAL. — The Manitoba Power Company has sold $10,000,000 in 5½ per cent., first mortgage bonds to a syndicate headed by Nesbitt, Thomson and Company. Public offering of the issue is being made this week at 96, which gives a yield of 5.8 per cent.

This financing will provide the funds necessary to retire the company's present issue and to instal a further 28,000 h.p. unit at its plant. A third unit became necessary when a ten-year power contract was closed with the Manitoba Pulp and Paper Company at Fort Alexander, less than 15 miles from the Manitoba Power Company's plant; the increasing demand for energy in and around the city of Winnipeg was another factor which made necessary an increased output of power.

The bond holders of the Manitoba Power Company have been advised that the outstanding 7 per cent. issue of bonds of the company, amounting to $7,500,000, will be redeemed on May 1, at 105, plus accrued interest. These bonds would ordinarily have matured in 1941 had not there arisen a demand for more power in the district.

When the present issue of bonds was offered the public, interest rates were high; the new financing will enable the company to take advantage of the lower prevailing rate and, as the new issue of bonds is on a 5½ per cent. basis, the necessary capital for both refunding and extensions will be procured with but a slight additional cost in fixed charges.

The announcement of the redemption of the Manitoba Power bonds throws some light on the recent activity and strength in the market for the Manitoba Power shares, but there is no doubt that the rise in the stock of the power company should have been reflected to a greater extent in the shares of its parent organization, the Winnipeg Electric Company.

The addition of the new unit will increase the capacity of the hydro-electric plant from 56,000 h.p. to 84,000 h.p. Work on this addition has commenced.

The new issue of bonds, like the issue which is to be retired, is guaranteed, both as to principal and interest, by the parent company, the Winnipeg Electric. The earnings of the Winnipeg Electric Company plus those of its subsidiary are over two and a half times the interest requirements of the issue.

The financing will also erect the new transmission line which is to serve the Manitoba Pulp and Paper Company, and which will thus materially increase the revenue. The company may issue an additional $2,500,000 of these bonds, but only to the extent of 80 per cent. of the cost of further additions or betterments to the property.

### Municipal Bankers and Montreal Debenture Merge

Following the annual meeting of the Municipal Bankers Corporation, Toronto, the announcement was made of the amalgamation of the Municipal Bankers Corporation and the Montreal Debenture Corporation, Montreal, with combined assets of over $4,000,000.

The business will be carried on under the name of Municipal Bankers Corporation, with the head office of the company at Toronto. The Municipal Bankers Corporation will continue to deal in government and municipal bonds and mortgages on improved property.

The entire board of directors of both companies will be retained and Sir John Willison, K.B., LL.D., will be the president, Sir William Hearst, K.C.M.G., and John McMillan, vice-presidents. Sir William Hearst will be general counsel for the company and G. C. Lawrence, general manager.

The Montreal Debenture Corporation, recently took over the Peoples Permanent Savings Society, of Montreal, established over 40 years, and The Standard Loan & Realty Company, established over 20 years, giving the Municipal Bankers Corporation, a well established connection in Montreal.

### Mt. Royal Hotel Company Proxies Asked For Meeting

MONTREAL.—A further circular letter has been addressed to the preferred shareholders of the Mount Royal Hotel Company by W. A. Mackenzie & Co. This letter reviews the events at the special general meeting held recently, and requests proxies for the forthcoming annual meeting of the company to be made out in favor of W. A. Mackenzie.

The letter says that the management made no serious effort to answer the criticisms which had been made of the exchange of securities. The letter also declared: "the proposal was, in essence and effect, a scheme to benefit the holders of the common shares, of which the United Hotels Company of America holds more than half, at the expense of the preferred shareholders."

In a postscript to the main body of the letter reference is made to the circular letter subsequently issued by the Mount Royal Hotel Company containing the address made by President Dudley at the special general meeting. In commenting on this letter, the stand is taken that figures of earnings for the year 1925 should not have been quoted by Mr. Dudley until after the annual meeting, when the report for the year, certified by the auditors, would have been presented.

Preferred shareholders are again urged to resist any further efforts to induce them to support the proposed plan of capital readjustment and are then asked to sign proxies for the annual general meeting in favor of the writer, "so that your interests may be safeguarded and the possibility of any such attack being made or continued against you, ended for good and all."

### Gutta Percha of Canada is Independent Company

An article appearing in the press announced the merger of the Hewitt Rubber Company of Buffalo, and the Gutta Percha & Rubber Manufacturing Company, of Brooklyn, N. Y., and added that "the Canadian branch of the Gutta Percha organization is not affected by the merger."

There is only one "Gutta Percha Rubber Company" operating in Canada, viz., Gutta Percha & Rubber, Limited, which is not a branch of the American Gutta Percha Company and has no connection with it.

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|---|---|---|---|---|---|
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| 10,000 | Northern Canada Power Ltd. | 6% | 1945 | 101.50 | 5.88% |
| 4,000 | Northern Ontario Light & Power Co. | 6% | 1946 | 100.00 | 6.00% |
| 10,000 | Canada Paper Company | 6% | 1945 | 99.00 | 6.09% |

*Fully descriptive circulars will be sent upon request.*

**Gairdner & Company, Limited**

312 Bay Street, Toronto 2 Telephone: Elgin 2301

# Our Greatest Public Scandal

(Continued from page 1)

*draws* attention to apparent contradictions in The Post when we talk of improving business conditions but criticize national economic conditions. He thinks the average business man should be content to let things work out now, attend to his own affairs and not interfere in national politics. Above he will find enough evidence of the rottenness of our national conditions, not in the Liberal party, but in the way it is being handled by some of those who at present have control.

Mr. Sinclair next asks us to name a man and party who we think could accomplish our ideals. As things are at Ottawa to-day with the Liberals in control, we submit, first, the Speaker, Hon. Mr. Lemieux; next, Hon. Mr. Robb. We believe that either of these men, or between them, given a free hand, could reorganize the Liberal party and the Government of Canada and carry with them the respect and confidence not only of all good Liberals but of Conservatives as well, and they would have the cordial support of The Financial Post, if they would get about them, as we are sure they would, leading Liberals who, like themselves, would put country before party. We understand that Mr. Robb, in spite of his handicaps, will, if he is allowed to, present this year a financial statement that will be a very agreeable surprise to the nation and reflect great credit on his own political sagacity.

As to the Conservatives, our information from across Canada shows that there is no man more highly respected than Hon. Mr. Meighen. He is able, sincere, absolutely honest, but before he can gain the confidence of Canadians in himself as an administrator or national executive he will have to show a higher capacity for getting the right people about him—men on whom he can rely for sound advice and the capable administration of his important cabinet positions. Given that, we have no fear for the future.

Canada is in magnificent shape basically, but national political conditions have never been at so low an ebb.

# TORONTO'S ACTION ON PIPE CONTRACT THOUGHT UNWISE

## City Refused Lowest Tender Because Firm Does Not Operate Here

Relative to the action of the city of Toronto in refusing a British tender for water pipe, although it was lower than the one accepted, which was that of a local firm, is the subject of comment in an open letter written by the Bureau of Municipal Research to the citizens and taxpayers of Toronto. The Bureau takes the stand that the course was not based on the best business principles and was a *breach of ordinary ethical standards. The reason* given by the city was that they preferred to let a contract which would give rise to employment in the city of Toronto. The Bureau does not believe that this end, desirable as it is, is furthered in the long run.

In view of the circumstances attending the letting of the contract, the Research Bureau has drawn up certain questions which should be asked, in connection with such a contract, before action is taken. In the first place enquiry is made into the question of what the effect upon prices will be, and whether or not the principle is to be applied to all other lines of goods. It is pointed out that the withdrawal from the bidding, of outside firms, will allow local firms to push prices up. Furthermore, it is urged that the employment situation will be helped only temporarily. If other cities take the same attitude the effect will work in the reverse direction as well. As for helping the working man of Toronto, 60 per cent. of Toronto families own their homes and are taxpayers and such a policy would be more expensive to them in the long run.

### Increase Costs All Round

Referring to the general effect of such a policy upon the cost of municipal government, the letter proceeds:

Will the present policy increase the cost of civic government? It certainly will. When the city abandons the principle of open competition, and particularly when it pretends to follow it but actually does not, it opens the way for exploitation by favored interests. And when the way is open for exploitation, history proves that exploitation certainly follows.

Is it fitting that the municipal governments should assume the function of protecting industry? It has always been supposed that this was in the domain of the national government. Should the question of industrial protection against other parts of the Empire not be left to the national government unless we are prepared to adopt the system of import duties collected at the borders of each city? If, however, we are going to give preference to our own tenderers, and at the same time request outside bids, should we not specify the amount of preference, say 10 per cent. to 30 per cent., according to whether the tenders were from cities in Canada, or from other parts of the Empire, in order that outside firms should know exactly where they stand and in order that the taxpayers might be sure of at least some competition? When preferences are being given why not consider first the general taxpayer?

Can Toronto preserve her home market for herself and maintain her position as a great manufacturing and distributing centre? Hardly, for two reasons: First, other municipalities and citizens of other municipalities will soon learn of Toronto's policy. This will not lead to the loss of all outside business, as some people are loath to "cut off their noses to spite their faces," but it can hardly fail to diminish the volume of outside business or retard its growth. The citizens of all cities are quite human in their motives. Second, the overhead cost of business in Toronto will be so increased as to tend to handicap Toronto firms in competition with outside firms. The future of Toronto is tied up with the retention and enhancement of her supremacy as a distributing and manufacturing centre. A well deserved reputation for fair dealing and the possibility of carrying on business in Toronto at a relatively low overhead would tend to ensure Toronto's supremacy in these regards and provide safeguards against unemployment.

## Southern Loan Report Shows Increased Strength

Earnings of the Southern Canada Loan & Savings Company, Toronto, for the year 1925 showed a substantial increase over those of 1924, making possible a dividend of 6 per cent.—a bonus of 1 per cent., payment of all charges and proper depreciation, and an addition to the reserve of $20,000.

Here follow comparative figures:

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Earnings | $193,590 | $182,101 | $176,049 |
| Expense, taxes, write-offs, etc. | 107,807 | 102,079 | 95,605 |
| | 86,666 | 80,022 | 80,444 |
| Bal. forward | 21,140 | 19,118 | 16,675 |
| Distribution— | | | |
| Dividends | 63,000 | 63,000 | 63,000 |
| To Reserve | 20,000 | 15,000 | 15,000 |
| Write off premises | 1,000 | | |
| Balance | 23,807 | 21,140 | 19,119 |
| | 107,807 | 99,140 | 97,119 |

A pleasant feature of the report, as presented by George K. Crocker, president, and J. W. Stewart, manager, is the clear statement of the class of securities held. The bonds are largely Dominion government and all of high grade.

### NEWFOUNDLAND'S CREDIT GOOD

The high credit standing of the Dominion of Newfoundland is shown by the result of negotiations recently carried on by Sir John Crosbie in Great Britain in connection with a loan for the government. Arrangements were made some time ago for a loan of $6,500,000 and $4,000,000 of it has been taken up. Under the negotiations, the Dominion's representative re-arranged the former loan and took up the balance, securing it at 97.49 for twenty-five years.

## This Week's Bond Sales

### REGINA BONDS SOLD

The City of Regina has accepted the tender of Nay, James & Co., and A. E. Ames & Co., for an issue of $209,000, 5%, 15-year bonds, and an issue of $45,360, 5%, 30-year debentures. The bid was 98.03, payment in Canadian funds. Following are the bids:

| | Pay. in Can. | Pay. in N.Y. |
|---|---|---|
| Royal Securities Corp. | .... | 97.577 |
| Bank of Commerce | 97.84 | 97.94 |
| McNeill, Graham & Co. and C. H. Burgess & Co. | 97.361 | 97.361 |
| Fry, Mills, Spence & Co. | 97.54 | 97.61 |
| Gairdner & Co. | ..... | 97.523 |
| C. C. Cross and Bell, Gouinlock & Co. | 97.38 | 97.51 |
| Galloway, Cleary & Co. | 96.625 | 96.875 |
| Nay & James and A. E. Ames & Co. | 98.03 | 98.31 |
| Houston, Willoughby and Dom. Securities Corp. | 97.521 | 97.77 |
| McLeod, Young, Weir Co. | 96.88 | .... |
| Matthews & Co. | 97.28 | .... |
| Wood, Gundy & Co. | 97.95 | 98.15 |

### TORONTO HARBOR BONDS

An issue of $2,000,000, 4½ per cent., Toronto Harbor Commission bonds, has been awarded to a syndicate headed by the Bank of Montreal on a bid of 93.252, which represents a cost basis of 4.94 per cent. to the city. The bonds are due in 1953. Following are the bids:

| | |
|---|---|
| Bank of Montreal, First National Bank, New York; Brown Bros. & Co., Kissell, Kinnicutt & Co., Redmond & Co. | 93.252 |
| Dillon, Read & Co., New York; Canadian Bank of Commerce, Dominion Securities Corporation | 93.071 |
| Wood, Gundy & Co., Bankers' Trust Co., New York | 92.908 |
| Lee, Higginson & Co., Boston; E. H. Rollins & Sons, Boston; Kerr, Fleming Co. | 92.889 |
| A. E. Ames & Co. | 92.83 |
| Bank of Toronto, First National Corporation, Boston; Blodgett & Co., New York; Esterbrook & Co., New York; Royal Securities, Montreal | 92.813 |
| Dominion Bank; Fry, Mills, Spence & Co.; Cochrane, Hay & Co.; Bell, Gouinlock & Co. | 92.80 |
| National City Co.; Harris, Forbes & Co. | 92.254 |

# Municipal and Provincial Finance

# FEDERAL REVENUE EXPANDS ALMOST NINE PER CENT.

## Only Small Reduction Reported in National Expenditure During 1925

The carrying charges on account of war and public debts of the Dominion have fallen slightly during the year, as have also all of the expenditures resulting from war operations. Expenditure on account of the war debt dropped from $380,387 to $150,425; costs in connection with the soldiers' land settlement scheme fell from $994,446 to $942,530; soldiers' civil re-establishment expenses fell from $5,731,775 to $5,188,450. There has also been a reduction in the carrying charges on the national debt, from $115,384,103 to $111,212,576.

All these reductions would seem to indicate that there has been a very substantial drop in national expenditures and consequently in national tax requirements. There are, however, a number of increases as well, and the net result is that the total reduction in expenditures amounted to only $6,056,173 or less than 3 per cent. This is a very small reduction in comparison with the drastic economies put into operation by other governments such as those of the United States and Great Britain. As a result, no tax reductions have yet been introduced since it is necessary to raise revenue just so long as we continue to contract new obligations indiscriminately. The regular expenditure and expenditure on capital account, for last year and the previous year follow:

| | | |
|---|---|---|
| Expenditure— | | |
| Interest on pub. debt | $115,384,103 | $111,212,576 |
| Agriculture | 3,807,827 | 4,047,514 |
| Pensions | 22,929,788 | 24,833,761 |
| Public works | 8,408,118 | 8,869,316 |
| Post office | 17,600,902 | 17,065,642 |
| Dominion lands, parks | 2,618,611 | 2,802,559 |
| Soldiers' land settle't | 994,446 | 942,530 |
| Soldiers' civil re-estab. | 5,731,775 | 5,188,450 |
| Other expenditures | 59,935,628 | 56,392,678 |
| Total | $237,411,202 | $231,355,029 |
| On Capital Account, etc. | | |
| War | 380,387 | 150,425 |
| Public works | 13,628,002 | 13,581,809 |
| Railway subsidies | ........ | ........ |
| Total | $14,008,389 | $13,732,234 |

### Revenue Generally Higher

There has been an increase in most classes of revenue during the year. Customs returns have increased from $80,550,247 in 1914 to $95,202,715 last year. This brings the customs returns to a position of outstanding importance in Canadian federal revenue, producing as they do approximately one-third of the total. Excise returns rose slightly from $30,522,409 to $33,614,178. Post office revenue also rose slightly, exceeding $20,000,000 last year. Excise taxes under the head of war revenue increased from $62,908,311 to $69,493,334 while the returns from the business profits tax declined from $1,905,641 to $842,206. The returns from the income tax are substantially the same as during 1924. Last year's total realized was $53,318,854. Other miscellaneous war tax revenue amounted to $1,160,946, while other general revenue amounted to $11,748,706. The grand total was thus $286,667,452 in comparison with $264,029,196 in 1924.

Following is a statement of the revenue realized by the Dominion Government during the past two years, according to the various classifications:

Revenue Account of Consolidated Fund

| | Total to Dec. 31, 1924 | Total to Dec. 31, 1925 |
|---|---|---|
| Revenue— | | |
| Customs | $ 80,550,247 | $ 95,202,715 |
| Excise | 30,522,409 | 33,614,178 |
| Post office | 19,735,117 | 20,400,000 |
| Public works | 949,113 | 886,510 |
| War Tax Revenue— | | |
| Excise taxes | 62,908,311 | 69,493,334 |
| Business profits tax | 1,905,641 | 841,206 |
| Income tax | 53,519,491 | 53,318,854 |
| Other war tax | 1,160,980 | 1,160,946 |
| Other revenue accts. | 12,777,881 | 11,748,706 |
| Total | $264,029,196 | $286,667,452 |

## Alberta Liquor Profits In Excess of $1,517,185

Net profits of $1,517,185 were made by the Alberta government on its operations under the liquor act in 1925. The full amount realized through the business of the liquor control board was $1,666,970, covering the full calendar year. Sales of permits for the year amounted to $112,172.

Out of the gross receipts of the board during the year the sum of $37,613 was placed to reserve accounts, the policy of the govenment being to build up a reserve fund that will give protection against possible future losses.

Last year was the first full twelve-month period for which the liquor control board has reported, since the act was not operative at the beginning of 1924. For the eight months of that year covered by the operations of the board, as reported to the last legislature, the net profits were $1,020,824. The 1925 figures are therefore slightly in advance of the proportionate figures for 1924. In both cases they represent the entire net revenues received from vendors' sales and beer licenses.

# CITY HOUSING PLAN COST LONDON $200,000

## According to Report on Whole Scheme Being Prepared by City Auditor

Another city housing scheme has incurred a severe loss. A report on the housing scheme of the city of London which is being prepared by the city auditor forecasts a loss of $142,516 and a prospective additional loss of $60,000. A special meeting is being called to consider what action will be taken.

The total of $142,516 is made up of three main items: actual deficits totalling $44,767 paid out of taxes during the past seven years, accounts due the city at the end of 1925 totalling $57,894, and a loss of $39,855 due to a drop in the value of the properties sold below the book values. The indicated further loss of $60,000 is accounted for in the difference between the sale prices of properties on which final adjustments have not been made and the values at which these are carried on the city books.

Each year since 1919 the city tax rate has been called upon to meet losses incurred by the housing commission. The yearly toll has been increasing annually. In 1919 it was $979; in 1925, $17,692 and last year $13,078.

Of the amounts owing to the city to the end of last year, $57,894 represent bad debts and money not yet collected on agreements. It is estimated that on this amount at least $25,000 will be collected, but more than $30,000 will never be gathered in. Thus, within the last few weeks the commission has lost several items averaging $700 to $800 through deaths and failures on the purchasers to keep up their agreements. And to offset the $25,000, which it is estimated will be collected of the above accounts, there will be losses in the future, it is estimated.

The loss of $39,855.19 due to the unabsorbed cost of the properties which have been sold below cost price can never be recovered.

## Tenders and By-laws

### TENDERS CALLED

**Feb. 11. Town of Greenfield Park, P.Q.**—$63,000, 5½ per cent., serial bonds. E. J. Allright, sec.-treas.

**Feb. 15, School Municipality of Sacre Coeur de Jesus and East Broughton, P.Q.**—$16,000, 5 per cent., serial bonds. J. E. Perron, sec.-treas.

**Feb. 16, Welland.**—$285,000, 5%, 30-instalment, waterworks debentures. A. W. Jackson, city treas. (See announcement elsewhere in this issue.)

**Feb. 15. Barrie**—$113,000, 5 per cent., 15-instalment debentures. A. W. Smith, treas. (See announcement elsewhere in this issue.)

**The Investor—**

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Metropolitan Building,

TORONTO

MONTREAL OTTAWA
HAMILTON LONDON

### NEW HOTEL FOR OTTAWA

According to plans under way, Ottawa is to have a new $1,500,000 hotel of thoroughly modern fireproof construction. The hotel is to be financed by local capital and it is stated that those interested are approaching the Board of Control and the City Council for a fixed assessment on the new structure. The architects on the new hotel are Noffke, Morin and Sylvester.

### ESCAPE EXTRA TAX

Noranda Mines, has reached an agreement with Quebec Government regarding refining of copper ore outside that province. The province tripples the tax on profits from ore treated outside. The company is to be allowed to ship blister copper without paying the extra tax.

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## BOND MOVEMENTS OF THE WEEK

### WEEK ENDING FEBRUARY 2

| Bonds | Int. Rate | Due Year | Yield | Range 1925 High | Range 1925 Low | Range 1926 High | Range 1926 Low | Ask | Latest Price Bid | Latest Price High | Latest Price Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Asbestos | 5 | 1942 | 5.31 | 99 | 80¾ | 97 | 92 | 96¼ | — | 96⅛ | — |
| Can. Canners | 6 | 1950 | 6.44 | 96¼ | 90 | 95½ | 94 | 94½ | 94 | 94½ | 94 |
| Can. Locomotive | 6 | 1951 | 6.11 | 98¼ | 98 | 98½ | 98½ | — | 98⅜ | 98½ | — |
| Dom. Iron | 5 | 1929 | 8.12 | 94 | 86 | 89½ | 89 | — | 89½ | 89½ | — |
| Montreal Trams (A) | 5 | 1955 | 5.47 | 98¾ | 92¾ | 93½ | 92½ | 93 | 92⅝ | 93 | 92⅝ |
| Quebec Rly. | 5 | 1939 | 5.73 | 98 | 89¾ | 93¼ | 91⅞ | 93 | 92⅞ | 93 | 92 |
| Rio Janeiro | 5 | 1935 | 6.07 | 95½ | 82 | 92 | 92 | — | 94¼ | 92 | — |
| Sherwin-Williams | 6 | 1941 | 5.49 | 104 | 101¼ | 105¼ | — | — | 105 | 105¼ | — |
| Wabasso | 6 | 1947 | 6.08 | 99 | 92 | 99 | 99 | — | 99 | 99 | — |
| Wayagamack | 6 | 1951 | 6.63 | 98¾ | 84¼ | 92½ | 92 | — | 92 | 92¼ | 92 |
| Winnipeg Elec. | 5 | 1935 | 5.52 | 95½ | 91 | 96 | 96 | — | 96 | 96 | — |
| War Loan | 5 | 1931 | 4.56 | 102.65 | 101.10 | 102.40 | 101.80 | 102.30 | 102.20 | 102.40 | — |
| Do. | 5 | 1937 | 4.51 | 104.95 | 103.80 | 104.50 | 103.85 | 104.45 | 104.35 | 104.50 | 104.15 |
| Victory Loan | 5½ | 1927 | 4.40 | 103.15 | 101.70 | 102.40 | 101.85 | 102.25 | 102.15 | 102.30 | 102.10 |
| Do. | 5½ | 1933 | 4.65 | 107.00 | 105.10 | 106.00 | 105.10 | 106.00 | 105.90 | 105.85 | 105.60 |
| Do. | 5½ | 1934 | 5.00 | 104.80 | 103.20 | 104.10 | 103.65 | 103.90 | 103.80 | 104.05 | 103.80 |
| Do. | 5½ | 1937 | 4.55 | 110.00 | 108.15 | 109.15 | 108.55 | 109.05 | 108.95 | 109.10 | 108.75 |
| Do. Refund | 5 | 1928 | 4.80 | 101.45 | 100.15 | 100.90 | 100.55 | 100.80 | 100.70 | 100.85 | 100.65 |
| Do. " | 4½ | 1940 | 4.83 | 97.25 | 92.20 | 96.50 | 96.30 | 96.40 | 96.30 | 96.45 | 96.30 |
| Do. " | 5 | 1943 | 4.85 | 102.90 | 101.15 | 101.70 | 101.40 | 101.60 | 101.50 | 101.65 | 101.55 |
| Do. " | 4½ | 1944 | 4.72 | 97.75 | 96.20 | 97.15 | 96.40 | 96.85 | 96.75 | 97.15 | 96.45 |
| Do. Renewal | 5½ | 1927 | 4.90 | 102.95 | 100.80 | 101.70 | 101.20 | — | 101.50 | 101.45 | 101.20 |
| Do. " | 5½ | 1932 | 4.96 | 104.20 | 102.65 | 103.35 | 102.65 | 103.25 | 103.15 | 103.35 | 102.85 |

## WEEKLY RECORD OF CANADIAN FINANCING

| Place | Date | Sold To | Rate | Maturity | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Bond Sales— | | MUNICIPAL | | | | | |
| London, Ont. | Jan. | Midland Securities | 5% | 1946 | $1,000,000 | 100 | ... |
| Fort Coulonge, Que. | Jan. | A. E. Ames & Co. | 5½% | 1956 | 30,000 | 99.59 | 5.53 |
| Regina | Jan. | Nay, James & Co., and A. E. Ames & Co. | 5% | 15 & 30-yr. | 254,360 | 98.03 | 5.18 |
| Toronto | Jan. | Bank of Montreal and Syndicate | 4½% | 1953 | 2,000,000 | 93.252 | 4.94 |
| Stock Issues— | | Corporation | | | | | |
| Kelvinator of Canada | Jan. | A. E. Ames & Co. | 7% | Pref. | 800,000 | 100 | ... |

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have pleasure in announcing that Mr. J. F. M. Stewart, the President of the Company, has become actively identified with the business.

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# Insurance for Buyer and Seller

## FIRE INSURANCE IMPROVEMENT NOT MARKED IN CANADA

### Conference at Montreal May Have Important Results in Future

By JOHN B. LAIDLAW,
Manager for Canada, Norwich Union Fire Insurance Society, Ltd., Toronto, Can., in Journal of Commerce, New York.

THE past year was one of anxiety and some disappointment to fire underwriters in Canada. It was hoped that a revival of business would occur and bring increased fire premiums, but the expected revival did not occur until late in autumn when benefit commenced to be felt from the fine crop in the Northwest Provinces and the generally good results of farming operations in Eastern Canada. While there is much manufacturing carried on in Canada and mining of gold and other precious metals is developing rapidly, agriculture still forms a very large part of the production of the country.

Anxiety arose through the steadily increasing competition caused by the number of new companies licensed to operate in Canada, a field where the premium income has been stationary for five years, which has had much to do with the inability of the Canadian Fire Underwriters' Association to achieve a settlement of some important questions, including commissions to agents in excepted cities.

**Conference at Montreal**

The situation became so menacing during the year that the managers in Great Britain of British companies operating in Canada sent a deputation to Montreal in October to meet a similar deputation from the managers in the United States of American companies doing business in Canada.

That very important and, as it may prove to be, historic conference agreed upon a number of recommendations which the Canadian Fire Underwriters' Association promptly considered, adopting those recommendations for immediate action and referring other recommendation for consideration to a strong committee.

It is sincerely hoped by practically all engaged in insurance in Canada, both officials and agents, and not confined to fire insurance, that the recommendations of the conference may become fully effective in the near future, as it is felt that if the effort of the conference should fail of results then the outlook for all concerned would seem to be very ominous and presage serious trouble, not only for fire insurance but other classes as well.

Those agents who are well informed and leaders in agents' associations realize the desirability of effective tariff associations and will be bitterly disappointed if peace is not achieved and harmony restored.

Ex-president Taft very well pointed out on one occasion that the difference between politics in the United States and Great Britain and her Dominions on the one hand and that of most of the republics of South and Central America on the other was that in the former countries after an election, no matter how strenuously or bitterly contested, the minority accepted at once the decision of the majority as expressed in the voting, whereas in the latter countries the minority did not always accept, but often at once started an insurrection or staged a revolution.

**Support Not Unanimous**

The chief difficulty in Canada of recent years has been just there, as even when matters have been decided by a very large majority there has sometimes been a minority which would not acquiesce. It is hoped that the minority will now see their way to fall in with the majority view.

Another point in this connection may be mentioned. Some of the troubles in Canada arose through certain important companies ceasing to be members of the tariff association, and while one of these companies was represented in the conference in Montreal and another was understood to be in full sympathy with the recommendations (and it is understood they were unanimously agreed to) it is unfortunate that after the Canadian Fire Underwriters' Association adopted the recommendations of the conference by a vote of 93 per cent.

(Continued on page 16)

## Insurance Personals

H. Cathers has been appointed assistant cashier in the Winnipeg office of the Manufacturers' Life Insurance Co. Mr. Cathers has been transferred from the Calgary office, where he served for eighteen months. Prior to that he was in the company's head office at Toronto.

* * *

It is safe to say that C. D. Sucee, London Life agent of Chatham, Ont., made the first life insurance sale in Canada this year. The application was written on the life of Harold Roy Gibson, a Chatham salesman, an old policyholder of the company, and signed at 12:01 a.m., January 1. The policy is on a monthly income basis. Mr. Sucee collected cash for a half year's premium with the application.

* * *

W. Carlisle, of Toronto, agency superintendent of the Manufacturers' Life Insurance Co., and R. E. Dowsett, of the medical department, together with members of the Winnipeg agency, were guests of P. A. Wintemute, manager of the Winnipeg branch, at a dinner at the Carleton Club, last week. Mr. Wintemute announces that the offices of the company, 300 Huron and Erie Building, will be extended to accommodate increasing business.

* * *

Charles Ruby, whose resignation as manager of the Mutual Life was regretfully accepted, has given his whole business career to the service of that institution. He has been connected with the company since the year 1884 and saw the business develop from very small beginnings to the status of an institution of Dominion-wide importance. He was the third manager, his predecessors having been the late William Hendry and the late George Wegenast. He enjoyed a very thorough training under these executives and when he took up the duties of manager in 1918, was thoroughly qualified for his work. Mr. Ruby succeeded to the management in 1918 just before the war closed and when the influenza epidemic was impending, so that the first few years of his incumbency of the office of manager were characterized by stress and strain, but he proved a good pilot, and the company came happily through the great ordeal. Mr. Ruby's career was marked by intense devotion to duty. He was scrupulously conscientious and ever willing to sacrifice his personal comfort and convenience and even his health for the benefit of the organization. Although he has retired from the position of general manager, Mr. Ruby will continue to occupy the position of director of the Mutuad Life of Canada, so that the company will benefit by his counsel, though the head office staff will not longer be under his direction.

## *The* CONTRACT BOND *and* HOW IT WORKS

By W. H. BURGESS.
*Secretary of the Canadian Survey Company.*

THE purpose or object of a contract bond is to guarantee to an owner that a building enterprise on which he is about to engage will be completed in accord with the plans and specifications and within the time and for the price set out in the contract, which price is ordinarily the lowest tender for the work.

Because of this fact the underwriting of a contract bond is probably the most difficult of any branch of insurance. If you write one hundred automobile risks, while you may get some below the average and some above the average, the chances are that with reasonable selection your experience will prove about the average. The same would likely be true of, say, one hundred residence burglary risks. But when you write one hundred construction contract bonds you guarantee the completion of one hundred contracts at the lowest bid in each instance. In other words, in contract underwriting the selection of the risk is always against the surety—we are not asked to bond the high bidder, or even the average bidder, but always the lowest bidder.

What is the proper scope of a contract bond? I do not think that I can better convey my notion of this than to quote you the "condition" of my company's form of contract bond, which reads as follows:

"Now, therefore, the condition of this obligation is such that if the Principal shall indemnify the Obligee against any loss or damage directly arising by reason of the failure of the Principal to faithfully perform said contract (described in the preceding paragraph) then this obligation shall be void, otherwise to remain in full force and effect."

In other words, it provides indemnity to the obligee or owner, and to no one else, against loss by reason of the failure of having his building operation completed, as per the terms of the contract. It is not intended as credit insurance to the parties who may supply material going into the work any more than it is intended to cover the hazards of liability insurance or furnish workmen's compensation. It does guarantee the performance by one party of the terms of a definite agreement to do certain specified work and it implies that the other party to the contract will likewise live up to his or its obligation under the contract.

There are other forms of suretyship somewhat akin to contract bonds and which in the minds of some people, I fear, are sometimes confused with contract bonds. For example, where public work is being performed it sometimes happens that the laws of the state or province require that the contractor undertaking to do the work shall give, in addition to a performance bond, a separate obligation guaranteeing that he will pay for the work and material entering into the contract. This is an entirely distinct and separate obligation and when given should, and usually does, carry an additional premium of one per cent. per annum, the general rate applicable to obligations of suretyship partaking of a credit nature.

Again, it may happen that in connection with an important building operation some financial institution has undertaken to make a first mortgage loan. Quite naturally it wants to know that when the building is completed its security will in reality be a first mortgage and not be subject to numerous liens which may have been filed during the progress of the work, and to this end it requires, as a condition of granting the loan, that it be furnished with what we know as a "lien" bond, the rate for which, under the Canadian tariff, is $10 per thousand on the amount of the bond for its term, i.e., for the period of construction plus the time during which such liens may be filed after completion of the work.

**Completion Bond is New**

Modern building construction is introducing still another form of bond, which, for lack of a better name, is sometimes called a "completion" bond. I think I can best describe this bond by quoting from a bulletin recently issued by the Towner Rating Bureau:

"There are many cases where the owner borrows money to finance the erection of the building; or where the owner is a lessee and has entered into a covenant with the lessor that a building or improvement costing a certain sum will be erected. In these cases a surety bond running to the lendor or lessor and guaranteeing the completion of the building, free of liens, is required. This is a very different bond from a "contract" bond, has different parties to it and involves an entirely different risk. This bond guarantees the financing of the building or improvement and, therefore, guarantees the "owner's" (not the "contractor's") financial resources. Loss on this bond occurs by reason of the default of the "owner" and not the "contractor." Such default by the owner in making the necessary payments for the completion of the building or improvement, free of liens, releases the contractor and the surety on the contractor's bond; but it constitutes a breach of the "completion" bond which the owner has given to the lender or lessor. Hence, these two bonds involve two separate and entirely distinct risks of default on the part of two separate principals. Loss is incurred on the contractor"s bond, only if the contractor defaults and the owner does not. But loss is incurred on the "completion" bond by reason of the owner's default —although his default may release the contractor and surety on the contractor's bond.

The bond given by the owner to the lender or lessor is a "financing" bond, and the danger of the owner's default is the danger that he will be unable to finance the building or improvement that he has undertaken. Often the sum that he borrows either from the lessor or the lender (who may be the same) for the erection of the building or improvement is less than its actual cost. So that where a contract bond guarantees that a contractor will build a million-dollar building for a million dollars, the completion bond given by the owner to the lender or lessor may guarantee the erection of the same building free of liens, for a loan of $700,000 or $800,000. This means that the owner must find from his own resources the sum necessary to make up the remainder and finance the completion of the improvement, free of liens, up to the time when tenants begin to move and rent begins to be paid. The owner's bond for the completion of the building, "free of liens," guarantees therefore—

1. That the entire sum loaned or advanced will be faithfully devoted to this purpose.
2. That the owner has additional resources sufficient to meet the entire cost of construction and all lienable claims.
3. And that the sums described in 1 and 2 will be used to complete the building, pay all claims, and will be sufficient for that purpose.

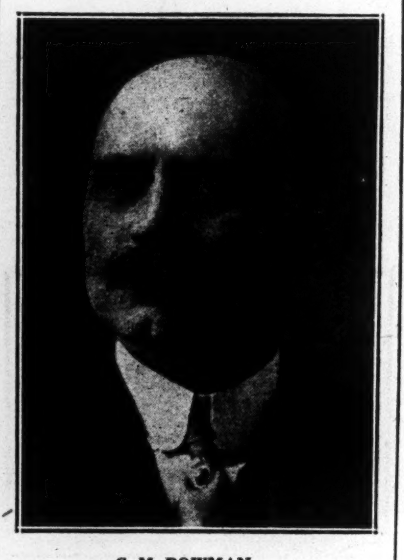
The owner rate on this form of bond is one and one-half per cent. on the cost of the building or improvement, but where a contractor's bond by assignment or otherwise includes besides the owner other obligees, such as lender, lessor, mortgagee, trustee, or others, who are not parties to the building contract itself, the rate of premium is 4 per cent. on the cost of the improvement to take care of the additional hazard of guaranteeing the building contractor's bond to parties who are strangers to the building contract itself.

### VICE-PRESIDENT OF EQUITABLE

At a meeting of the directors of the Ontario Equitable Life and Accident Insurance Company, Edwin Irwin, superintendent of agencies, was appointed vice-president. Mr. Irwin was one of the men who assisted in organizing the Ontario Equitable in 1920, and was district manager at London, Ont., until December 1923.

## Management Changes Of the Mutual Life

Owing to long-continued impaired health, Charles Ruby, general manager of the Mutual Life of Canada, has resigned that position, but will continue as a member of the board. W. H. Somerville succeeds Mr. Ruby. Mr. Somerville, from his long association with the Mutual Life of Canada in many different capacities, and for the last six years as assistant general manager, is well qualified for the promotion. He has been 26 years with the company. He is an associate of the Institute of Actuaries of Great Britain and of the Acturial Society of America.



C. M. BOWMAN
Who has been elected to the new position of chairman of the board of directors of the Mutual Life Assurance Company of Canada.

A new office has been created in the organization, namely, that of chairman of the board, and C. M. Bowman, for many years a director, has been nominated to the new position. T. A. Russell has been appointed a director in succession to the Hon. Vincent Massey, recently resigned. Mr. Russell is president of the Willys-Overland, president of the Canada Cycle and Motor Company, and a director of the Bank of Commerce.

W. H. SOMERVILLE
Who has just been appointed general manager of the Mutual Life Assurance Company of Canada to fill the vacancy caused by the resignation on account of ill-health of Mr. Charles Ruby.

## New Member of Board Of the Monarch Life

Geo. H. Stewart, president, Holingsworth & Co., merchants, Calgary, Regina and Winnipeg, has been made a director of the Monarch Life Assurance Company.

## Ontario's Fire Losses Down Over $3,000,000 in 1925

Fires in Ontario caused $12,685,957 loss in Ontario in 1925. In 1924 fire loss was $15,950,628.

Principal statistics follow, as issued by Ontario Fire Marshal:

| Year | Loss | Insur. Loss | Loss not Covd. by Ins. |
|---|---|---|---|
| 1925 | $12,685,957 | $10,182,584 | $2,503,373 |
| 1924 | 15,950,628 | 12,933,996 | 3,016,632 |
| Decrease | $ 3,264,671 | $ 2,751,412 | $ 513,259 |

Four Leading Classes of Risks

| | 1925 Loss | 1924 Loss | Decrease |
|---|---|---|---|
| Barns | $1,845,004 | $2,102,329 | $ 157,325 |
| Dwellings | 2,462,694 | 2,871,406 | 408,712 |
| Stores | 2,667,564 | 3,058,798 | 391,234 |
| Factories | 2,380,911 | 5,506,548 | 3,125,637 |

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL
AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon and Calgary.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
*Branch Offices:*
SASKATOON EDMONTON
CALGARY VANCOUVER

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agencies

### GORE MUTUAL FIRE

GALT.—At the 78th annual meeting of the Gore Mutual Fire Insurance Company, Hon. Lincoln Goldie, provincial secretary, was re-elected president; Police Magistrate J. R. Blake, vice-president, and J. D. Allen, a director.

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
*The Northwestern Mutual furnishes:*
An insurance service that is rated by "Bests"—the standard authority of the status of fire insurance companies—as the highest for payment of losses and for management.
Writing Fire Insurance at Cost. Assets $2,604,266.13.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All Policies dividend paying and non-assessable.

*"Here's your check"—*
Welcome words to hear soon after you have been burned out. We commence settlement often before the embers have cooled—"right after the fire"—when help is most needed. Ninety-three years of prompt settlement of claims is our record.
The British America Assurance Company of Toronto
Established 1833

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
ALEX. STEWART, Treasurer

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

*We Recommend a*
6 P. R. POLICY (SIX PREMIUM RETURN)
—an exclusive Northern Life plan.
The Northern Life's 6 P.R. policy is one of the most popular 20 pay life policies in Canada.
For further information regarding this attractive plan consult your nearest Northern Life representative or write our Home Office.
*The* NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

DO YOU TRAVEL?
The Head Office of the Sun Life Assurance Company of Canada is the centre of a vast organization with branches over practically all the world. Because of this the Company is able to give special service to its policyholders, particularly to those who travel—just another advantage that a Sun Life policy carries with it.
SUN LIFE ASSURANCE COMPANY
OF CANADA
HEAD OFFICE : MONTREAL

North American Life Solid as the Continent
NORTH AMERICAN LIFE
ASSURANCE CO.
HEAD OFFICE - - TORONTO, CANADA
THE excellent results achieved by the North American Life Assurance Company during 1925 are exceedingly gratifying. The substantial gains shown by the following figures will be a source of continued satisfaction and confidence to all interested in the Company.
POLICIES ISSUED AND REVIVED $ 29,224,836.00
AMOUNT OF INSURANCE IN FORCE 137,995,713.00
ASSETS 29,288,009.96
PAYMENTS TO POLICYHOLDERS 2,911,885.98
SURPLUS 5,036,981.99
THESE records are a clear indication of the solid financial position of the Company. The continued progress shown points the way to an even more successful year in 1926. In the North American Life, policyholders' interests are the first consideration, over 99% of the profits earned being allotted to them. This fact is borne out by the announcement of still higher policy dividends for 1926.
In considering further insurance you will be well advised to consult a North American Life representative. The attached coupon will bring you a more detailed report of the Company's 1925 operations.
"Solid as the Continent"
*Agents in every important centre in Canada*
Please mail me your complete Report for 1925, also "Solid as the Continent" Booklet.
Name
Address Age

# *Current Events in Banking World*

## Improvement in Inter-Bank Routine Would Check "Kiting"

### A Discussion of Some of the Uses and Abuses of Cheques—Inter-Bank Relations Might be Improved as Routine in Individual Banks Has Recently Been

Reduction of routine is one of the matters to which head office has recently been giving a lot of attention. Important steps have been taken by individual banks in curtailing internal red-tape correspondence. The changes have had their effect in reducing operating costs. Further steps are being considered to simplify inter-bank routine.

One of the evils aimed at is "kiting." This is quite a general practice with many people. They issue cheques a couple of days before they have funds. They thus get the use of the sums "kited" without paying interest. Even where the cheque is on a local branch it takes a couple of days usually to put it through the clearing house if it is deposited in another bank. It *is not criminal* to issue a cheque for which there are not funds, even if it is *not* honored, unless it can be proven that the maker knew that it would not be paid on presentation. If the clearing house routine were simplified to reduce the time required kiting might soon become one of the "lost arts."

In the following article, A. B. Barker, manager of the Toronto Clearing House, discusses some of the prevalent uses and abuses of cheques.

—J. W. T.

There appears to be a widespread belief that by giving a cheque in settlement of a debt, a payment has been made. It has not. All that the debtor has done has been to give an order on his bank to pay to the creditor or his order on demand a specified sum of money and until the cheque has been presented at the bank and has been honored the debt remains unpaid. This is still the case even if the cheque be accepted by the bank but not actually paid by it. If the bank's acceptance on the cheque has been obtained by the issuer or maker prior to its being delivered to the payee, the maker remains liable to the payee until the cheque is presented to the bank and paid. The payee to retain the obligation of the maker must not hold the accepted cheque in his possession, but must promptly present for payment in the usual course.

If the payee, after delivery of the *cheque*, presents the cheque at the *place* of payment and accepts the bank's acceptance in order to deposit it through his own bank for payment, the maker of the cheque is released, as the payee has accepted the bank's obligation instead of demanding payment. The fact of a payee stipulating that the cheque be marked before he will accept it from the maker, might also be held to relieve the maker, but it would no doubt be decided by the facts in the case.

Until a cheque is paid, therefore, it remains nothing more than an order to a bank to pay a specified sum of money on demand, and until payment is received it has value only as a credit instrument. When, therefore, a bank accepts and deposits one or more cheques, it is in effect making a loan to the depositor of the amount it represents until it is actually paid. This is the case, whether it be the *cheque of a millionaire* or of a pauper. *The loan in* the first instance may be safe and in the second it may be unsafe, but that does not change in any way the fact that it is a loan by the bank when it negotiates it for a customer. A bank may be reasonably supposed to negotiate for its customer a cheque on another bank in town, as it is assumed he maintains a balance at his credit from which the bank makes a profit sufficient to warrant the accommodation. If this bank carries the account upon terms which do not permit this profit, that is its lookout. The point is that, when an account with a depositor is opened by a bank, there is an implied contract of mutual benefit, and if it benefits one more than the other the one who benefits less may, if he decides, cancel the contract, but while it is in operation he must carry out his part of the agreement.

### The Bank's Position

The bank contracts to account upon demand to the customer for all moneys deposited with it by the customer for his account, and to honor such cheques as he may issue upon it up to the amount of funds at his credit. This is all it is called on to do under the terms of its contract, implied or otherwise. It is not called upon to honor any cheque for which funds have not been fully provided, and when a customer issues a cheque before making provisions for its payment by the bank he exceeds his rights under the contract, and has no grounds for complaint whatever if his cheque is allowed by his bank to go to protest. It is entirely his own fault.

The invariable rule in all sporting contests is that competitors must abide the result of their own accidents. In the relations between the bank and its customer, the latter invariably holds the bank strictly to ac-

(Continued on page 22)

## Weekly Bank Clearings

(In comparison with the same week last year.)

| EASTERN CITIES | Jan. 29, 1925 | Jan. 28, 1926 |
|---|---|---|
| Halifax | $ 2,456,126 | $ 2,510,235 |
| St. John | 2,012,483 | 2,370,961 |
| Moncton | 610,442 | 689,390 |
| Sherbrooke | 514,906 | 622,855 |
| Quebec | 4,834,018 | 4,146,960 |
| Montreal | 73,369,831 | 81,644,843 |
| Ottawa | 4,150,188 | 4,621,963 |
| Kingston | 463,743 | 568,207 |
| Peterboro | 586,193 | 663,492 |
| Toronto | 82,135,123 | 85,709,519 |
| Hamilton | 4,004,490 | 4,341,994 |
| Brantford | 815,340 | 779,110 |
| London | 1,827,473 | 2,115,762 |
| Kitchener | 859,612 | 868,727 |
| Windsor | 2,564,167 | 2,650,721 |
| Total, East. | $181,195,135 | $194,304,739 |

| WESTERN CITIES | Jan. 29, 1925 | Jan. 28, 1926 |
|---|---|---|
| Fort William | $ 507,886 | $ 779,207 |
| Winnipeg | 44,385,030 | 40,936,867 |
| Brandon | 429,584 | 398,631 |
| Moose Jaw | 1,010,147 | 926 550 |
| Saskatoon | 1,232,580 | 1,336,787 |
| Prince Albert | 301,591 | 315,420 |
| Lethbridge | 441,299 | 633,698 |
| Calgary | 6,451,724 | 7,730,826 |
| Edmonton | 4,262,892 | 4,337,936 |
| Medicine Hat | 235,201 | 194,403 |
| Vancouver | 13,795,568 | 20,392,319 |
| Victoria | 1,473,859 | 3,924,188 |
| Total, West. | $74,527,164 | $81,986,877 |

## Monthly Bank Clearings

(In comparison with same month last year).

| EASTERN CITIES | Jan., 1925 | Jan., 1926 |
|---|---|---|
| Halifax | $ 13,318,296 | $13,390,887 |
| Moncton | 3,105,694 | 3,514,749 |
| St. John | 10,425,873 | 11,451,202 |
| Quebec | 29,156,274 | 23,599,720 |
| Sherbrooke | 2,989,895 | 3,108,345 |
| Montreal | 460,698,109 | 411,663,391 |
| Ottawa | 27,706,840 | 25,999,393 |
| Kingston | 2,753,804 | 2,886,004 |
| Peterboro | 3,321,459 | 3,055,868 |
| Toronto | 422,607,063 | 407,898,163 |
| Hamilton | 19,519,011 | 19,590,474 |
| Brantford | 3,684,647 | 3,989,583 |
| London | 12,991,163 | 11,023,528 |
| Kitchener | 4,031,545 | 4,153,308 |
| Windsor | 11,614,512 | 13,927,053 |
| Total, East. | $1,027,924,185 | $959,251,659 |

| WESTERN CITIES | Jan., 1925 | Jan., 1926 |
|---|---|---|
| Fort William | $ 2,950,749 | $ 3,887,622 |
| Winnipeg | 209,592,521 | 202,911,318 |
| Brandon | 2,392,860 | 2,135,976 |
| Regina | 17,233,859 | 18,667,226 |
| Moose Jaw | 5,059,642 | 5,024,150 |
| Saskatoon | 6,505,443 | 7,675,963 |
| Prince Albert | 1,487,708 | 1,539,540 |
| Lethbrige | 2,081,129 | 2,779,092 |
| Calgary | 32,657,188 | 35,237,730 |
| Emonton | 22,212,770 | 22,472,747 |
| Medicine Hat | 1,154,104 | 1,194,679 |
| New Westminster | 2,341,662 | 2,764,200 |
| Vancouver | 65,908,014 | 73,298,095 |
| Victoria | 8,298,260 | 10,466,745 |
| Total West | $1,407,800,094 | $1,349,306,742 |
| Gr. total | $1,407,800,094 | $1,349,306,742 |

## *Drives With a Steering Wheel and Not With a Golf Club*

The picture of a four-plussed, Tut-jerseyed figure swinging a golf club for long, lazy hours over the green swarded links, drawn for a Western audience to represent the average bank manager while borrowers labor to pay the interest on the loans he makes—when not busy golfing—will impress the average banker as a typical example of the unrealities of modern post-impressionism. But let the managers speak for themselves. Follows what one Saskatchewan banker, who drives much with a car and little with the golf club, has to say about it.—J. W. T.

Editor, The Financial Post:

Dear Sir.—I imagine Mr. R. J. Speers' remark at Brandon anent the cohesion of bank managers and golf clubs will provoke wrath and indignation among, at any rate, the banking fraternity of the prairie provinces, and your suggestion that the bankers air their views through you columns is a good one, and will, I am sure, be taken full advantage of.

Such a statement might have been made with justice in the dark ages when bank managers were considered superior beings and the "client" was expected to remove his hat when in the managerial presence and otherwise conduct himself with decorum and as befitted the occasion. Nowadays, however, Mr. Speers' witty statement will be taken at its proper valuation, i.e., pure and simple gallery play, and will only result in a desultory hand-clapping and a snigger or two from the back benches.

Branch managers may not be competent as Mr. Speers measures competency, but I'll venture to say that any branch manager, at least of the prairie variety, who has come through the last four or five years of deflation and liquidation and is still holding his job, is as competent in his line of business as any other average man in any other line of business—farmers included.

If Mr. Speers' idea of a branch manager is a club-swinging oaf in plus-fours and a "Tut" sweater, he should spend a few days with the average country banker any time between May and November (this season right up to January) when he would possibly correct his opinion, and at the next farmers' meeting he addressed he would likely tell his friends that the branch managers spend most of their time "hanging on to the end of a steering wheel."

I am an average Saskatchewan country manager, one of several hundreds in the Province. Last year I drove over 6,000 miles visiting farmers, inspecting chattels and valuing lands. Most of this driving was done on Sundays, Saturday afternoons and after banking hours on week days. Naturally it wasn't all done in a disinterested way to help friend farmer. Most of it was done in an endeavor to effect collection of old debts. At the same time, I am foolish enough to think that the occasional talking over of problems at the farmer's own place of business resulted in a better understanding between farmer and banker, with mutual benefit to both. As I said before, I am one of many in this province, and I venture to say that the majority of country bankers all over the West are doing the same thing.

There is no more reason why a banker shouldn't be a good banker because he enjoys an occasional game of golf than to say a farmer can't be a good farmer because he occasionally breaks away from the plough.

Yours truly,
Saskatchewan Banker.

## Staff Gossip

Norman J. Flahiff, of the London branch of the Bank of Commerce, has been transferred to the Goderich branch.—Times-Journal, St. Thomas.

* * *

B. S. Deacon, from Halifax, will succeed Mr. Hensley here as manager of the Canadian Bank of Commerce.—Agriculturist, Summerside.

* * *

W. L. Bretall, who has been ledger keeper in the local bank the past six months, has left for Champion where he has been moved.—Enterprise, Consort.

* * *

Mr. Atkinson, accountant, has been transferred from the Milton branch of the Bank of Nova Scotia to that at Guelph, from which Mr. Maclellan has come to replace him.—Champion, Milton.

* * *

Gordon Bateman, who has been on the staff of the Standard Bank here for several years, lately as teller, has been promoted to a similar position in the branch at Oshawa. His place here is being taken by J. C. Rutherford, of Camden, East. — Gazette-Chronicle, Whitby.

* * *

Mr. and Mrs. George Kenzie, who will be greatly missed by the many friends they have made during their residence in Guelph, are leaving for Toronto, where Mr. Kenzie has been transferred. Mr. John Wallace, of Wingham, is taking Mr. Kenzie's place as accountant in the Dominion Bank here.—Mercury, Guelph.

* * *

H. K. Collver, of the Canadian Bank of Commerce staff, has been transferred to Ingersoll. His place here has been filled by F. W. Carroll, of Whitby.—Times-Advocate, Exeter.

* * *

H. H. Reid, manager of the Standard Bank here for two years, will go to Goderich as manager of the branch there, and will be succeeded here by E. B. Nelles, now of Arthur.—Free Press, Forest.

* * *

L. McDougall, manager of the local branch of the Standard-Sterling Bank, has been transferred to the Arthur branch of the same bank. Mr. Love, of Athens, is coming to the branch here.—Sun, Milverton.

### AT DOMINION BANK ANNUAL

Among the officials of the Dominion Bank from out of town who were in Toronto for the annual meeting on Wednesday last, were F. L. Patton, assistant general manager, Winnipeg; Robert Rae, assistant agent, New York, and the following managers: S. L. Jones, London, England; C. O. Fellowes, Ottawa; John Scott, Orillia; M. S. Bogert, Montreal; M. S. Burger, Calgary; W. N. Sheffield, Edmonton; Norman Evans, Hamilton; A. M. Cowie, Windsor; W. Watts, Chatham; L. C. Brown, Marquis, Sask.; W. E. Scott, Belleville; J. W. Spragge, Cobourg; J. G. Hall, Brampton; A. E. Gibson, Guelph; B. B. Manning, London; J. K. Muir, Montreal; W. E. Glenney, Huntsville; C. N. Henry, Oshawa; H. F. Smith, Sarnia, and R. D. Boughner, Kitchener.

E. W. Hamber, Vancouver, a director of the bank, was also in Toronto for the meeting.

## BIG INCREASE IN BANK DEBTS

### British Columbia and Quebec Are Provinces Showing the Greatest Relative Gains

OTTAWA.—The bank debits to individual accounts as reported to the Dominion Bureau of Statistics, were greater in December than in any other month since the statistics were first collected in January, 1924. The total was $3,120,644,757, which was 12 per cent. greater than in November last, and 11 per cent. in excess of December, 1924. The December debits of each of the five economic areas with the exception of British Columbia showed important increases over November last, while Quebec alone showed a decline in the longer term comparison.

Canadian bank debits in 1925 were $28,121,061,000 as compared with $27,436,000 in the preceding year, representing an increase of 2 per cent. With the exception of the Maritime Provinces, each of the economic areas showed expansion in debits during 1925. British Columbia attained the greatest proportional advance of nearly 7 per cent., the total in 1925 being $1,842,000,000 as compared with $1,725,000,000 in 1924. The increase in Quebec Province was more than 4 per cent., the absolute increase of $342,000,000 resulting in a total of $8,475,000,000 in 1925. The debits of Ontario were $11,236,000,000 in 1925, or slightly in excess of the preceding year. The advance in the Prairie Provinces was more than 1 per cent., the total in 1925 being $5,995,000,000. The debits of the Maritime Provinces were $572,000,000, representing a decline of 2 per cent. from the preceding year.

| Clearing Centres | Debits to Individual Accts. Dec. 1925 | Dec. 1924 |
|---|---|---|
| | $ | $ |
| **Maritime Provinces—** | | |
| Halifax | 31,753,993 | 23,076,865 |
| Moncton | 7,205,389 | 6,472,037 |
| St. John | 17,906,605 | 18,362,085 |
| Total | 56,865,987 | 47,910,987 |
| **Quebec—** | | |
| Montreal | 775,609,542 | 849,406.808 |
| Quebec | 55,834,484 | 49,168,028 |
| Sherbrooke | 8,660,561 | 8,858,600 |
| Total | 840,104,587 | 907,433,436 |
| **Ontario—** | | |
| Brantford | 10,442,987 | 8,680,982 |
| Chatham | 8,529,790 | 8,215,854 |
| Ft. William | 9,305,106 | 12,947,168 |
| Hamilton | 56,968,902 | 47,556,275 |
| Kingston | 6,078,209 | 5,785,615 |
| Kitchener | 10,046,182 | 8,898,085 |
| London | 24,975,349 | 24,988,368 |
| Ottawa | 301,874,401 | 163,7[illegible]1,554 |
| Peterborough | 8,245,733 | 6,[illegible]9,924 |
| Toronto | 827,984,486 | 743,195,444 |
| Windsor | 25,773,750 | 22,303,475 |
| Total | 1,289,824,895 | 1,054,187,744 |
| **Prairie Provinces—** | | |
| Brandon | 5,140,609 | 5,808,858 |
| Calgary | 79,981,089 | 62,244,048 |
| Edmonton | 37,157,073 | 30,419,359 |
| Lethbridge | 8,359,074 | 6,290,412 |
| Medicine Hat | 4,209,778 | 5,987,843 |
| Moose Jaw | 11,878,983 | 10,145,314 |
| Prince Albert | 2,824,934 | 2,437,578 |
| Regina | 38,816,762 | 42,528,135 |
| Saskatoon | 15,334,751 | 11,709,587 |
| Winnipeg | 557,671,757 | 472,987,050 |
| Weyburn Bank | 6,541,988 | 5,885,367 |
| Total | 767,916,793 | 656,393,551 |
| **British Columbia—** | | |
| New Westminster | 6,494,289 | 5,505,603 |
| Vancouver | 134,687,192 | 130,466,619 |
| Victoria | 24,751,014 | 22,763,284 |
| Total | 165,932,495 | 158,735,506 |
| Grand Total | 3,120,644,757 | 2,824,661,224 |

**New Issue**

# $10,000,000

# Manitoba Power Company, Limited

## First Mortgage 5½% Sinking Fund Gold Bonds, Series "A"

Guaranteed as to principal and Interest by endorsement by the
WINNIPEG ELECTRIC COMPANY

Dated January 1, 1926. Due January 1, 1951

Interest payable semi-annually, January 1st and July 1st and both principal and interest are at the holder's option, payable in New York at the Agency of the Bank of Montreal in gold coin of the United States of America; or in London, England, at the Office of the Bank of Montreal at par of exchange; or, in Montreal, Toronto or Winnipeg, Canada. Both principal and interest of bonds held by residents of the United States are payable without deduction for any tax or taxes which the Company or the Trustee may be required to pay or to retain therefrom under any present or future law of any taxing authority in the Dominion of Canada or any province or municipality thereof, and without deduction for United States Income Taxes lawfully deductible at the source, not exceeding 2%. The Company agrees to refund Pennsylvania and Connecticut State Taxes up to four mills, upon application, within sixty days after payment. Coupon bonds in denominations of $100, $500 and $1,000 with privilege of registration as to principal or principal and interest. Callable at the option of the Company on ninety days notice at 105 and interest on any interest date.

**The Montreal Trust Company, Montreal, Trustee.**

### CAPITALIZATION

| | Authorized | Outstanding |
|---|---|---|
| *Common Stock (no par value) | 100,000 shs. | 100,000 shs. |
| First Mortgage 5½% Sinking Fund Gold Bonds (this issue) | ** | $10,000,000 |

* Winnipeg Electric Company owns over 60% of this stock.
** Limited by the restrictions of the Indenture.

**BUSINESS AND PROPERTIES:** This Company was incorporated under the Companies Act of Canada and owns and operates a modern hydro-electric power plant at Great Falls on the Winnipeg River with an ultimate capacity of 200,000 horsepower. The entire sub-structure of this modern hydro-electric plant, and the superstructure for three units with two units of 28,000 h.p. each, were completed in 1923. The third unit now being installed will give the company an installed capacity of 84,000 h.p. It also owns a tie-in high-tension steel-tower transmission line with the main transmission system of the Winnipeg Electric Company. It is officially estimated that when all the units are installed the power house will represent the very low bonded debt of about $60 per horsepower.

**SECURITY:** These bonds will be secured, in the opinion of counsel, by a first mortgage lien upon the Company's hydro-electric plant and transmission lines, described above, and by collateral lien, through pledge of stock of the Winnipeg River Railway Company, on 13½ miles of standard gauge steam railroad. They are further secured by a power contract with, and guaranteed both as to principal and interest by endorsement by the Winnipeg Electric Company. They are also secured by a power contract with the Manitoba Pulp and Paper Company, Limited, referred to hereunder. The Company may issue $2,500,000 additional bonds in principal amount equal to but not exceeding 80% of the cost of additions and betterments to the property, but further bonds may only be issued in principal amount equal to but not exceeding 80% of the cost of additions and betterments, provided net earnings, after sinking fund, are not less than one and one-half times interest charges on all bonds issued and those proposed to be issued.

**EARNINGS:** The Company's net income, for the twelve months ended December 31, 1925, derived from its long-term power contract with the Winnipeg Electric Company, was $541,557, or nearly equal to total interest charges on this issue. The net income for the same period of the Winnipeg Electric Company, available for guaranties, etc., after deducting its total interest charges, amounted to $852,565, which, combined with the net income of this Company, makes a total of $1,394,122, or over two and one-half times interest charges on this entire issue. The net proceeds from this issue will provide sufficient funds to increase the generating capacity of the Great Falls power plant to take advantage of a ten-year power contract with The Manitoba Pulp and Paper Company, Limited, for all power to be used at its new pulp and paper mill, with a rated capacity of 250 tons, now being erected at Fort Alexander, within fifteen miles of Great Falls. It is officially estimated that the additional revenues of the Power Company under the power contract from the operation of the two paper machines will approximate $485,000 per annum. The Manitoba Pulp and Paper Company, Limited, has been financed and is controlled by prominent pulp and paper and banking interests.

**GUARANTOR:** The Winnipeg Electric Company, successor to a business organized in 1880, owns and operates an extensive electric light, power and railway, and gas system serving Greater Winnipeg and contiguous territory having a population estimated in excess of 282,000. Its net property value, after depreciation, is in excess of $25,314,123 as compared with its total funded debt in hands of public of $15,632,000. Its system connected load increased from 105,576 h.p. in 1920 to 200,490 h.p. as of October 31, 1925, or about 90%. Surplus earnings since January 1, 1916, together with maintenance and depreciation, aggregating in excess of $10,000,000, have been invested in the Company's properties.

**PURPOSE OF ISSUE:** The proceeds from the sale of these bonds will be used to retire $7,500,000 First Mortgage 7% Sinking Fund Gold Bonds Series "A"; to install a third unit of 28,000 h.p. and to erect a fifteen-mile steel-tower double circuit transmission line, together with appurtenances.

**SINKING AND IMPROVEMENT FUND:** The mortgage Indenture will provide for an annual sinking fund beginning January 1, 1931, of a sum equal to 1% of all Series "A" bonds outstanding for the purchase and redemption of these bonds at not to exceed 105 and accrued interest. An additional sinking fund will provide for an annual payment beginning January 1st, 1934, of a sum equal to 1% of all Series "A" bonds outstanding, which may be used at the option of the Company for the purchase and redemption of these bonds at not to exceed 105 and accrued interest, or for permanent additions and improvements, which could otherwise be made the basis for the issuance of additional bonds under this mortgage.

**We offer these bonds when, as and if issued and received by us and subject to the approval of our counsel.**

***Price 96 and interest, to yield about 5.80%***

NESBITT, THOMSON & COMPANY, LIMITED
KISSEL, KINNICUTT & COMPANY
E. H. ROLLINS & SONS SPENCER TRASK & COMPANY

All information given herein is from official sources, or from those which we regard as reliable; but in no event are the statements herein contained to be regarded as representations by us.

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# National Trust Company

Limited

## PROFIT AND LOSS ACCOUNT

For Year ending 31st December, 1925

| | |
|---|---|
| Balance 31st December, 1924 | $121,646.58 |
| Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc. | 375,693.69 |
| | $497,340.27 |
| **Appropriated as Follows:—** | |
| Quarterly Dividends: Nos. 101 to 104, at the rate of 12% per annum | $270,000.00 |
| To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate | 60,073.55 |
| Balance Carried Forward | 167,266.72 |
| | $497,340.27 |

### Balance Sheet, 31st December, 1925

#### ASSETS

| | | | |
|---|---|---|---|
| **Capital Account:** | | | |
| Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton | | $550,000.00 | |
| Real Estate held for sale under mortgage foreclosure | | 290,079.94 | |
| Rents due and accrued | | 4,860.07 | |
| Mortgages: | | | |
| Principal | $2,280,569.79 | | |
| Interest due and accrued | 114,742.36 | | |
| | | 2,395,312.15 | |
| Loans on Stocks and Bonds | | 502,985.17 | |
| Securities: | | | |
| Provinces of Canada | $88,401.56 | | |
| Canadian Municipalities and School District Debentures | 91,565.23 | | |
| Other Bonds, Debentures, and Debenture Stocks | 87,596.18 | | |
| | | $267,562.97 | |
| Stocks | | 300,501.88 | |
| Cash in Chartered Banks | | 326,444.92 | |
| Cash on Hand | | 5,892.26 | |
| Advances to Estates and Trusts | | 138,859.56 | |
| | | | $4,782,498.92 |
| **Guaranteed Trust Account:** | | | |
| Mortgages: | | | |
| Principal | $6,087,358.05 | | |
| Interest due and accrued | 236,323.19 | | |
| | | $6,323,681.24 | |
| Loans on Government and Municipal Bonds | | 418,400.00 | |
| Securities: | | | |
| Dominion of Canada and Provinces of Canada | $1,537,882.03 | | |
| Canadian Municipalities and School District Debentures | 1,325,354.03 | | |
| | | $2,863,236.06 | |
| Cash in Chartered Banks | | 545,935.22 | |
| Cash on Hand | | 97,965.13 | |
| | | | 10,249,217.65 |
| **Estates, Trusts and Agency Account:** | | | |
| Funds and Investments | | $128,630,188.89 | |
| | | | 128,630,188.89 |
| | | | $143,661,905.46 |

#### LIABILITIES

| | | | |
|---|---|---|---|
| **Capital Account:** | | | |
| Capital Stock, subscribed and fully paid | $2,250,000.00 | | |
| Reserve Fund | 2,250,000.00 | | |
| | | $4,500,000.00 | |
| Dividends Declared and Unpaid (Dividend No. 104 due Jan. 2, 1926) | | 67,500.00 | |
| Mortgages in Process of Completion | | 21,933.01 | |
| Reserve for Balance Dominion Income War Tax | | 25,799.19 | |
| Profit and Loss | | 167,266.72 | |
| | | | $4,782,498.92 |
| **Guaranteed Trust Account:** | | | |
| Trust Funds for Investment | | $4,528,662.95 | |
| Trust Deposits | | 5,720,554.70 | |
| | | | 10,249,217.65 |
| **Estates, Trusts and Agency Account:** | | | |
| Estates, Trusts and Agency Account | | $128,630,188.89 | |
| | | | 128,630,188.89 |
| | | | $143,661,905.46 |

**Board of Directors:**

President: Sir Joseph Flavelle, Bart.

Vice-Presidents: E. R. Wood, W. E. Rundle, Herbert C. Cox

| | |
|---|---|
| Hon. Sir Edward Kemp, K.C.M.G. | Kenneth MacKenzie |
| H. H. Fudger | George W. Allan, K.C. |
| Chester D. Massey, LL.D. | Edward FitzGerald |
| H. B. Walker | Leighton McCarthy, K.C. |
| J. H. Plummer, D.C.L. | Carl Riordon |
| Hon. F. H. Phippen, K.C. | George W. McLaughlin |
| H. J. Fuller | W. H. McWilliams |
| W. M. Birks | W. G. Morrow |
| E. M. Saunders | Cyrus A. Birge |
| Sir John Aird | F. F. Dalley |
| James Ryrie | Thomas C. Haslett, K.C. |
| Rt. Hon. Sir Thomas White, K.C.M.G. | D'Arcy Martin, K.C. |
| | C. S. Wilcox |
| Harrington E. Walker | Walter Molson |
| Miller Lash, K.C. | Lt.-Col. William Leggat, M.C. |
| A. McT. Campbell | |

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## TRADE RECOVERY IMPOSSIBLE WHILE SMUGGLING EXISTS

(Continued from page 1)

with the changed atmosphere. A spirit of self-reliance and assured faith in the future of the country was most marked in all the provinces, and an examination of the conditions there leads one to conclude that this spirit of confidence and faith is entirely justified." Emphasis was placed on the fact also that the West's prosperity no longer depends on the wheat crop, but the basis of prosperity has been gradually broadening. Dairying, stock raising and poultry raising are adding yearly to the independence of the West. W. G. Watson, general manager of the company, referred to the fact that first class Canadian municipal debentures have been and still are available at 5 per cent., or better, in fairly substantial volume, and that "such securities purchased now at these prices should be attractive investments for some years to come."

Similar sentiments were expressed by General Manager Geo. H. Smith and President W. G. Gooderham in addressing the shareholders of the Permanent Mortgage Corporation. Mr. Smith pointed out that for several years Canada has been laying the foundation for a new era of prosperity, and that 1925 had made a substantial contribution in this direction. "Indeed it may be said," said Mr. Smith, "that this new foundation is now completed and that the time for increasing confidence has arrived. The buying power of the West has been largely re-established."

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## GRATIFYING GAINS BY PROVINCIAL BANK

### Gain in Total Deposits During Year Amounted to 10 Per Cent.

From Our Own Correspondent.

MONTREAL.—The annual report of La Banque Provinciale for the year ending November 30, 1925, shows an increase in deposits of 10 per cent. over last year. There was also a slight increase in net profits which stood at $407,000 as compared with $403,330 at the close of the last fiscal year. The total assets also were increased by some $5,000,000 and stood at over $45,000,000.

Liquid assets have been well maintained and amount to 55 per cent. of the total liabilities and to 72 per cent. of the total deposits. From the net profits were deducted $270,000 to meet the regular dividend payments, $50,000 as a reserve for federal taxes and $84,534 was set aside to take care of the cost of the installation and maintenance of all new branches.

Due to the absence of the president, Hon. Sir Hormidas Laporte, through ill-health, Hon. N. Perodeau, Lieutenant-Governor of Quebec, presided at the annual meeting. Tancrede Bienvenu, vice-president and general manager, reviewed the progress made during the year and stated that the bank had opened several important branches, including Sherbrooke, Chicoutimi, Jonquiere, Rimouski and two branches in Montreal.

| Liabilities | 1925 | 1924 |
|---|---|---|
| Dom. dep. | $ 6,352,998 | $ 6,081,438 |
| Note dep. | 29,659,889 | 27,269,813 |
| Bal. due Govt. | 643,474 | 75,188 |
| Note cir. | 3,930,348 | 3,432,753 |
| Capital stock | 3,000,000 | 3,000,000 |
| Reserve fund | 1,500,000 | 1,500,000 |
| Total liabilities | 45,219,594 | 4,646,562 |

| Assets | 1925 | 1924 |
|---|---|---|
| Dom. Govt. notes | $ 1,797,279 | $ 1,570,354 |
| Dom. & Prov. sec. | 4,880,786 | 4,622,493 |
| Can., Mun. Brit. foreign and col. sec. | 1,345,993 | 1,233,844 |
| Ry. and other sec. | 2,327,346 | 1,998,882 |
| Call & short loans | 9,971,870 | 5,958,683 |
| Cur. loans | 16,128,538 | 17,449,467 |
| Total assets | 45,219,594 | 40,646,562 |

## What Radicalism Did for N. Dakota

ST. PAUL.—North Dakota has an annual interest bill on state industrial bonds, its only bonds outstanding, of $1,480,222, and interest on these bonds paid up to January 1, this year, amounted to $4,083,741. The deficit of the Bank of North Dakota on September 10 was $2,067,286, according to a report to the state auditing board covering the period from October 16, 1924, to September 10, 1925.

"No attempt was made to divide estimated losses of bank assets into any certain period," the report says. "Practically all losses originated during the period of deflation and prior to the period covered by our audit."

Losses to the Bank of North Dakota through failure of other banks are estimated at $1,606,384. Operating loss to October 15, 1924, was placed at $425,,028, and the operating loss from October 16 to September 10, 1925, at $35,874.

The state mill and elevator and the Bank of North Dakota are the only state-owned-and-operated institutions remaining in North Dakota as legacies of the Non-Partisan League. There were many others, such as creameries and home-building associations. The mill and elevator have shown losses every year of their operation.

## Liquidation of Farmers' Loans Amazes Banker

WINNIPEG.—F. W. Ross, supervisor of all branches west of Port Arthur for the Bank of Nova Scotia, a recently established office, has just returned from a trip of inspection of the bank's branches in the west. Mr. Ross describes the liquidation of agricultural loans throughout the west during the last two years as amazing. Farmers generally are getting well on their feet, and one of the features of the change during the last few years which appealed to Mr. Ross particularly is the change from the one-crop farming method into more diversified farming.

"The average farmer to-day," he said, "is not now so dependent upon the banks. He is pretty well able to finance himself, which is one of the reasons that bank statements are showing smaller current loans in Canada than has been the case in the past. It is a most healthy sign." Another reason given by Mr. Ross for the smaller amount of current loans, and one which is not encouraging, is that there is less demand for industrial purposes. He believes, however, that the increased prosperity of the west will soon begin to make itself felt in the factories, and that money released for investment by the lessened agricultural demand will be more than absorbed for industrial purposes.

### ROYAL BANK

A. McTavish Cambell, director of the Royal Bank of Canada, has returned to Winnipeg from Eastern Canada, where he attended the annual meeting of the Royal Bank in Montreal and the annual meeting of the Canada Life in Quebec.

J. W. Hamilton, assistant general manager of the Royal Bank of Canada, and S. L. Cork, supervisor, have returned to Winnipeg after attending the annual meeting of the Royal Bank of Montreal.

### DOMINION BANK

The Dominion Bank announces the following staff appointments: Wm. Coupar has been appointed acting manager at Sprucedale, Ont. J. C. Backus, formerly accountant at Seaforth branch, has been appointed pro manager at Rectory St. branch, London. Jos. Johnson, formerly accountant at City Hall branch Toronto, has been appointed acting manager at McCaul & Dundas Sts. branch, Toronto, and is succeeded at City Hall branch by P. E. J. Netterfield.

### IMPERIAL BANK

The Imperial Bank announces the following staff changes: M. A. Richardson, formerly of head office staff, has now been appointed manager, West End St. Thomas branch, replacing E. J. Kay, resigned. B. B. Vale, formerly accountant, King and Sherbourne branch, Toronto, has been appointed accountant, Galt, replacing G. E. Pinkett, who is at present attached to the inspection staff. M. J. Gould, formerly teller-accountant, West Toronto branch, has been appointed to the accountancy at King and Sherbourne branch, Toronto.

## The Foreign Exchanges

Conducted by S. J. ZACKS.

Trading in U. S. funds during the week was light, while the fluctuations in the premium on U. S. funds were insignificant. On Wednesday there appeared to be plenty of buyers at 3-16 cents premium and plenty of sellers at 7-32 cents, but there were no transactions. During the past week, there have been some purchases of futures at 3-16 cents premium, which would indicate that the present firmness in U. S. funds is expected to continue for perhaps another month. Many Canadian banks, with large amounts of idle funds, in an endeavor to take advantage of the New York call money market, have been buying U. S. funds at about 3-16 cents premium.

There is considerable interest in the street about permit regulations for gold shipments. The present cost of shipping gold to New York is about 1-8c., or at a rate considerably below the present premium.

Sterling after touching the highest point since 1914 on Monday has reacted somewhat with the sharp falling off in the transfer of funds to London, for investment or deposit. The decline of the London street rate to 4 1-2 per cent. has in part caused the reaction in sterling. Futures in sterling too are down, which perhaps would suggest that sterling will be a little softer.

On Monday the lire underwent some wide fluctuations, opening in New York at a new low since last November, receding to $.04. The experiments of the Institute of Exchange of Italy evidently have justified the suspicion that the lire had been stabilized above the normal level, and it is now expected that the lire will be stabilized at 4 cents.

Fluctuation in the franc only slightly reflected the progress of the finance reform bills now before the French parliament, although in the past year under similar circumstances the franc has been very sensitive. The French government has no major financial obligations until next May, and no sweeping political changes are expected. This may account for the situation. American bankers are still bearish on the franc, although no violent decline is anticipated.

The opening of the new central bank in Chile last month is expected to inaugurate permanent currency and exchange stability in that country, which has suffered from a unit of fluctuating value since 1878. The chief function of the new bank is to regulate currency and prevent exchange fluctuations. This no doubt will be of interest to and welcomed by those exporting to Chile.

NEW YORK FUNDS

| | High | Low | Last year High | Last year Low |
|---|---|---|---|---|
| Jan. 28 | 13-64 | 3-16 | 3-32 | 1-16 |
| Jan. 29 | 13-64 | 11-64 | 1-32 | Par |
| Jan. 30 | 3-16 | 11-64 | 1-16 | 1 32 |
| Feb. 1 | 13-64 | 3-16 | 1-8 | 1-16 |
| Feb. 2 | 7-32 | 13-64 | 1-16 | 1-16 |
| Feb. 3 | 13-64 | 13-64 | 3-32 | 1-16 |

STERLING, FRANCS AND LIRE

| | Sterling Close | Francs Close | Lire Close |
|---|---|---|---|
| Jan. 28 | 4.86 | 3.76¾ | 4.03 |
| Jan. 29 | 4.86 | 3.79¼ | 4.03 |
| Jan. 30 | 4.86¼ | 3.77¼ | 4.02½ |
| Feb. 1 | 4.86 3/16 | 3.75¾ | 4.01½ |
| Feb. 2 | 4.86¼ | 3.75 | 4.01¼ |
| Feb. 3 | 4.86¼ | 3.75½ | 4.02¼ |

OTHER EXCHANGES

| Par | | Close Jan. 27 | Close Feb. 4 |
|---|---|---|---|
| 19.30 | Italian | 4.04¼ | 4.02¾ |
| 23.82 | German | 23.85½ | 23.85¾ |
| 32.45 | Brazilian | 14.86 | 14.80 |
| 19.30 | Belgium | 4.55½ | 4.56½ |
| 49.85 | Japan | 45.13 | 44.96 |

## FIRE INSURANCE IMPROVEMENT NOT MARKED IN CANADA

(Continued from page 14)

of its members, these companies did not promptly intimate their desire to rejoin and have not as yet done so, although a month has elapsed. No doubt the end of the year is a busy time for officials of large companies, but it is still true, that "he gives twice who gives quickly," and it is hoped the adherence and support of those companies will be given without further delay.

### Fire Underwriting Results

As to the general results of fire insurance during the past year, it is thought that while the premiums were about the same as in the previous year there has been a slight decrease in the losses, while the expenses have been stationary or slightly increased.

The losses in the Maritime Provinces were about the same as in 1924, while in Quebec and Ontario there was a moderate decrease. In the Northwest Provinces of Manitoba, Saskatchewan and Alberta the losses were heavier and especially so on the farm business and mercantile risks, while in British Columbia, where the experience has been good for some years (except in 1923 when the loss ratio was 63 per cent.) the companies as a whole will lose money. In that province the past summer was very warm and dry and fires were numerous while throughout the year many fires occurred in sawmills and lumber yards, which classes show very high loss ratios.

The figures of fire insurance premiums written and losses incurred for the past five years (those for 1925 being estimates) are as follows:

| | Premiums | Losses | Ratio |
|---|---|---|---|
| 1921 | $50,839,391 | $30,256,341 | 59.51 |
| 1922 | 51,036,206 | 35,174,939 | 68.92 |
| 1923 | 53,943,249 | 34,292,671 | 63.57 |
| 1924 | 52,074,196 | 30,688,531 | 58.93 |
| 1925 | 52,000,000 | 29,000,000 | 55.77 |

### Conference of Superintendents

In September last the annual conference of the insurance superintendents of the provinces was held in Winnipeg, when many matters of great interest to the companies were considered. These annual conferences are steadily becoming more important, and at the last one the superintendents were in most cases accompanied by the chief legal advisers of their respective governments.

One good effect is to bring about a uniformity of statutory conditions (each province in Canada having the right to make such conditions as it pleases) and also uniformity in the insurance acts of each province in regard to incorporation and licensing of companies and their subsequent regulation.

Incidentally these conferences and the understanding to aim at uniformity have the very good result of making it difficult for a crank to have his peculiar ideas regarding insurance put into effect by legislation in the province where he may have considerable influence.

## Bank of Montreal Now Has Chain of Branches in Mexico

The Bank of Montreal about March 1 will open a new branch at Tampico, Mexico, thus completing a chain of branches embracing all the important centres through the Republic of Mexico.

The first branch of the bank in Mexico was opened at Mexico City in 1906. The business has steadily grown, until it to-day occupies an outstanding position in the republic. Branches have been established at Pueblo, which is on the Sierra foothills, and has a population of 100,000; at Vera Cruz, one of the chief ports on the Gulf of Mexico; at Guadalajara, some 300 miles northwest of Mexico City, with a population of 140,000; and at Monterey, in North Mexico, with a population of 85,000.

## LOBLAW GROCETERIAS CO. LIMITED

The quarterly dividends of 1¾% on the Prior Preference shares, 3% on the Second Preference shares and 25c. per share on the Common shares of Loblaw Groceterias Co., Limited, have been declared for the quarter ending February 28th, payable March 1st, to shareholders of record at the close of business February 15th, 1926.

By order of the Board,
DANIEL URQUHART,
Secretary.

## The Bank of Toronto

Dividend No. 178

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the FIRST day of March next to Shareholders of record at the close of business on the 15th day of February, 1926.

By order of the Board.
JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
January 6th, 1926.

**Feb. 19th. Town of Fort Frances, Ontario, $75,000, Public School, 5½%, 20 years, Serial Debentures. H. E. Marr, Treas.**

Manager for one of the "Big Four" banks, important town in Nova Scotia, on account of close confinement desires change of occupation. Well acquainted throughout Maritime Provinces and Newfoundland. Age 40. Reputation will bear closest scrutiny. Would like to represent manufacturer of staple lines, wholesaler or bond corporation. For further confidential particulars or to arrange interview.

**Box 6, "Financial Post," Toronto**

## Tenders for Debentures

## The Municipal Corporation of the City of Welland

SEALED TENDERS addressed to A. W. Jackson, City Treasurer, Welland, Ontario, endorsed "Tenders for Debentures" will be received until Tuesday the 16th day of February, 1926, at the hour of twelve o'clock noon for the purchase of Two Hundred and Eighty-five Thousand Dollars ($285,000.00) of debentures of the City of Welland, for the construction of a waterworks filtration and chlorination plant, issued under By-law Number 393, of the City of Welland, dated the first day of July, 1925, bearing interest at the rate of five per cent. per annum payable in thirty equal annual instalments of principal and interest. The principal being payable on the first day of July in each of the years 1926 to 1955 inclusive and the interest on the first days of January and July in each year at the office of the City Treasurer, Welland, Ontario.

The debentures are in denominations of One Thousand Dollars ($1,000) and odd amounts.

The certificate of E. G. Long, K.C., of the City of Toronto, as to the legality of the By-law of the City and of the debentures issued thereunder will be furnished to the purchaser and is printed on each debenture.

The debentures are now on deposit in the Bond Department of the Head Office of the Imperial Bank of Canada, Toronto, together with a copy of the Bylaw, certificate of legality, etc., where they can be examined by proposed purchasers.

Each tender must be accompanied by an accepted bank cheque payable to the Treasurer of the City of Welland for the sum of Ten Thousand Dollars ($10,000) which deposit, in the event of the acceptance of such tender, will be applied on account of the purchase price and if the tender is not accepted will be returned. The debentures must be taken up and paid for within fifteen days after notification of the acceptance of the tender.

The debentures will be delivered in Toronto, payment to be made at the Imperial Bank of Canada, Welland, Ontario.

For any further or other information apply to the undersigned,
A. W. JACKSON,
City Treasurer, Welland.
Dated this 30th day of January, 1926.

## BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Monday, the FIRST day of MARCH next, to Shareholders of record of 30th January 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 19th January, 1926.

## The Royal Bank of Canada

DIVIDEND No. 154

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January.

By order of the Board,
C. E. NEILL,
General Manager.
Montreal, Que., January, 19, 1926.

## The Canadian Bank of Commerce

Dividend No. 156

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1926, payable at the Bank and its Branches, on and after Monday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1926. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 15th January, 1926.

ONTARIO

## SALE OF HARDWOOD TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including the 15th of April, 1926, for the right to cut the Hardwood Timber, comprising Birch and Maple, on an area in the District of Algoma, partly in the Mississaga Forest Reserve and partly in the section immediately South thereof, subject, amongst other conditions, to the manufacture of same into the finished product within the Province of Ontario.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or the Deputy Minister of Lands and Forests, Toronto, Ontario.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorised publication of this Notice will be paid for.
TORONTO—January 22nd, 1926.

## Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and fifty cents ($2.50) per share for the quarter ended the 31st December, 1925, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, the 20th day of January, 1926, at 4 o'clock p.m., payable on Monday, the 1st day of February, 1926.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.
January 13th, 1926.

## Lake of the Woods Milling Company Limited

DIVIDEND NOTICES

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending February 28th, 1926, has been declared payable on Monday, March 1st, 1926, to Shareholders of record at the close of business Saturday, February 13th, 1926.

By order of the Board.
M. H. HUTCHISON,
Secretary.

## Lake of the Woods Milling Company Limited

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending February 28th, 1926, has been declared payable on Monday, March 1st, 1926, to Shareholders of record at the close of business on Saturday, February 13th, 1926.

By order of the Board.
M. H. HUTCHISON,
Secretary.

DIVIDEND NUMBER 146

## Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 1.6% on the outstanding capital stock of the Company has been declared payable on the 25th day of February, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 9th day of February, 1926.

Dated the 2nd day of February, 1926.
I. McIVOR,
Assistant-Treasurer.

# ALL NEWSPRINT OUTPUT RECORDS BROKEN LAST YEAR

## Newspaper Advertising Has Stimulated Vast Increase In Circulation

Rapid strides have been made by the newsprint industry during recent years but 1925 has broken all records. The total North American output last year was 3,162,000 tons, or nine per cent. more than the 1924 figure. The North American consumption was equivalent to 98 per cent. of the output.

For several years Canada has been *aspiring* to displace the United States as the world's premier newsprint paper producer, and the race in 1925 was neck and neck, with Canada a few tons ahead during each of seven months and only 8,000 tons behind on the year's total. The final figures show 1,530,000 tons made in the United States, 1,522,000 tons in Canada, 97,000 tons in Newfoundland and 13,000 tons in Mexico, making a continental total of 60 per cent. of the world total of some 5,000,000 tons of newsprint. The United States output was three per cent. more than in 1924 and one per cent. greater than in the previous record year of 1920, while Canada made 12 per cent. more than in 1924 and 74 per cent. more than in 1920. In the face of all this, stocks of paper in the hands of both manufacturers and newspaper publishers were lower at the end of the year than for a long time past, due to the unprecedented heavy consumption during the last quarter of 1925.

There has been no change in Mexican newsprint production for several years, but an increase of 52 per cent. over 1924 in Newfoundland was the beginning of an enlarged production in that colony which will be still more marked in 1926.

Newsprint consumption in the United States in 1925, amounting to nearly 3,000,000 tons, if spread out in a single sheet would cover 20,000 square miles, or the combined areas of Massachusetts, Connecticut and New Jersey. To furnish this amount for the newsprint users in the United States took all but 23,000 tons of the domestic production, 85 per cent. of the Canadian output, 133,000 tons from overseas and 20,000 tons from Newfoundland. Imports of overseas newsprint into the United States, which began with 50,000 tons in 1920 and reached a maximum of 200,000 tons in 1923, dropped to 156,000 tons in 1924 and 23,000 tons lower in 1925. On the other hand, 1925 marks the definite entry of Newfoundland newsprint into the United States market, with a much greater amount to come *in 1926.* Altogether, only 51 per cent. *of the* newsprint used in the United States in 1925 was of domestic production.

A consumption of 52 pounds per capita last year, compared with only 25 pounds as recently as 1910 and 42 pounds in 1920 indicates something of the inveterate appetites of the printing presses in the United States. It must not be assumed, however, that such a rate of increase in consumption will be indefinitely maintained. What the maximum may be no one knows, but it will obviously take a good while longer to go from 50 to 75 pounds per capita consumption than it did to go from 25 pounds in 1910 to 50 pounds in 1923.

**Newspaper Advertising the Cause**

The present tremendous use of newsprint is the direct result of increased newspaper sizes and circulations, stimulated by newspaper advertising. The latest directory lists more than 2,400 daily newspapers in North America and some 14,000 weeklies, while the circulation of the English-language dailies in the United States now approaches 34,000,000 copies and of Sunday issues goes beyond 23,000,000 copies. Daily newspapers in increasing numbers are penetrating to the farthest corners of the continent. As striking as the steady increases in circulation of these papers, amounting to 21 per cent. with the dailies and 37 per cent. with the Sunday issues during the past five years, has been the increase in sizes. The average of 60 newspapers of more than 100,000 circulation each during 1925 was 29 pages for the daily issues and 109 pages for the Sunday issues, an increase of one page daily and six pages on Sunday over 1924.

Newspaper advertising in the leading cities of the United States totaled five per cent. more in 1925 than in the previous year and six per cent. more than in 1920, which was an advertising year not soon to be forgotten. On the other hand, the volume of periodical advertising, while three per cent. more in 1925 than in 1924, was still 16 per cent. less than the 1920 record.

From 1919 to 1925 inclusive, additions to the North American newsprint manufacturing industry have totaled 50 machines of 3,500 tons daily capacity, of which 11 machines were in the United States, 35 in Canada and four in Newfoundland. Other new machines under construction which will be installed during the first half of 1926 will make a total manufacturing capacity of 6,300 tons daily in Canada and 5,500 tons in the est shall go to build up Canadian in-United States, in addition to which there will be by that time a daily capacity of 700 tons in Newfoundland. During the past six years actual production of the newsprint mills has averaged about 90 per cent. of rated capacity. On this basis, a continental output of 3,500,000 tons will soon be possible.

### A NEW BUFFALO PROBLEM

EDMONTON.—Canada's efforts in the past eighteen years to preserve the buffalo from extinction have been so successful that she will soon be faced with a problem arising from lack of space at the Buffalo National Park at Wain-

# *Forests Here To-day, Gone To-morrow*

* * * *

# *Unless National Policy is Adopted*

SEVERAL Ontario counties have taken the conservative step of emulating continental activities in tree-planting. They are establishing municipal forests. Another county has just decided to follow the lead and will establish a $1,000 acre forest. This is Victoria.

Waste land, costing about $2 per acre, is being utilized. The provincial government will supply the seeding pine for replanting and generally co-operate with county officials in carrying out the initial work and looking after the forest when it is established.

**Our Vanishing Forests**

The story of Canada's vanishing forests was told in Toronto by H. H. Wheeler, chief lecturer of the United States Forest Service. The forest reserves of the United States were disappearing rapidly, he said, but his people had always taken the view that that was not important since Canada had an endless supply of timber which would continue to meet their needs.

"But Canada has not an endless supply," Mr. Wheeler declared. "Do you realize that at the present rate of consumption in the States, Canada's total forest area, if turned over to that country, would vanish in fourteen years?"

At the meeting of the Canadian Pulp and Paper Association in Montreal, Rolland D. Craig, of the Forest Service of the Canadian Government, told his hearers that in thirty years our forests will be entirely depleted. He further pointed out that there is but 27 per cent. of the original forest wealth left.

Therefore, to voice the corollary, Canada's greatest industry, the pulp and paper industry, has but thirty years of life ahead of it. The government has taken steps to restrict the loss by fire—it can take more. Little yet, has been done to protect the forest from the ravages of insects or to enforce the approved practical methods of re-forestation, which are practised abroad and which, in some instances, are practised by individual companies here.

About twenty-five cents every year is being spent to protect one hundred dollars' worth of forest wealth. The time has arrived when Dominion and provincial governments should see to it that every cent taken from our forests through taxation and stumpage dues goes back into them, until re-growth has definitely overtaken the cut.

**No National Forest Policy**

Our onward rushing forest poverty is due, primarily, to lack of national policy in forest management.

First fundamental consideration in a national forestry policy is to insure that the wood cut from Canada's forest shall go to build up Canadian industries and to enrich Canadian homes rather than to add to the industrial interests of another country. There is much discussion as to the ways and means that should be adopted to achieve this end but there can be little doubt as to the end to be kept in view. No opportunity should be lost by the provincial or federal governments to co-operate to the end of insuring that trees cut down in Canada shall be brought to the fullest state of manufacture in Canada. There is more than the question of a pulpwood embargo or an export tax on wood pulp involved in this question, which is one worthy of the keenest attention of the various governmental authorities. The anomalous situation of Canadian timber being turned into pulp or paper in the United States and where used as an important raw material of literary productions that enter Canada duty free requires more than any single measure to correct it. It requires, a policy, first of all, and then such measures as will bring the required results without injury to established Canadian industries.

Second fundamental consideration in a national forestry policy is the protection, conservation and regeneration of our forest areas to insure their perpetuity. Truly, as C. A. Magrath has put it, the Canadian public requires to be dynamited into action to conserve its forests.

# J. H. Black Pioneering Again

J. H. Black, former railroader, power magnate, insurance manager, pulp and paper operator, has again shown his versatility and blossomed out as the promoter of a $15,000,000 paper plant, power development and railway development. Thus he combines in the one operation the experience of three of his former berths.

"Black's Baby" is the way the Kapuskasing development is already being referred to by Northerners. It is to be located on the Transcontinental west of Cochrane while the power development will be 50 miles north, well on the way to James Bay. It is between Kapuskasing and the power site that Mr. Black will run his railway.

Mr. Black has always been known as a fast worker, but he seems to have excelled himself on this occasion. On Friday morning last he signed his contract with the Ontario Government agreeing to spend a minimum of $12,000,000. He will likely spend twenty—and Friday the contractors started on the construction of the railway, the first essential. Then will come the power and later the paper plant in units.

J. H. Black is well known as a Northern Ontario pioneer. His first claim to fame in the north was as general superintendent of the T. and N. O. railway. Then came the power development of the Fasken interests, who had entered the north in a big way through Nipissing and other mines. They wanted a man to handle their affairs and picked on Mr. Black. He was general manager of the Northern Ontario Light, Heat and Power. Later general manager of Northern Canada Power and later moved to Toronto, retaining the general management of the Northern Canada until it was disposed of last March and also

assuming the post of managing director of the Excelsior Life.

His next move was into the pulp and paper business assuming the post of president of the Great Lakes Paper Co. This resulted in the report that Mr. Black had gone over to the Backus interests. The Great Lakes Co. was controlled by Alshead and Seaman, of Wisconsin, and Mr. Backus had a minority interest. The Backus people are in no way interested in his latest venture which is going to take up his time for a few years at least.

### HALIFAX SHIPPING INCREASED

HALIFAX.—The port of Halifax enjoyed an increase of 3,000,000 tons of shipping during the year 1925 over the previous year, according to the records of the board of trade.

# National Debt Dropped
## $36,010,903 During Year

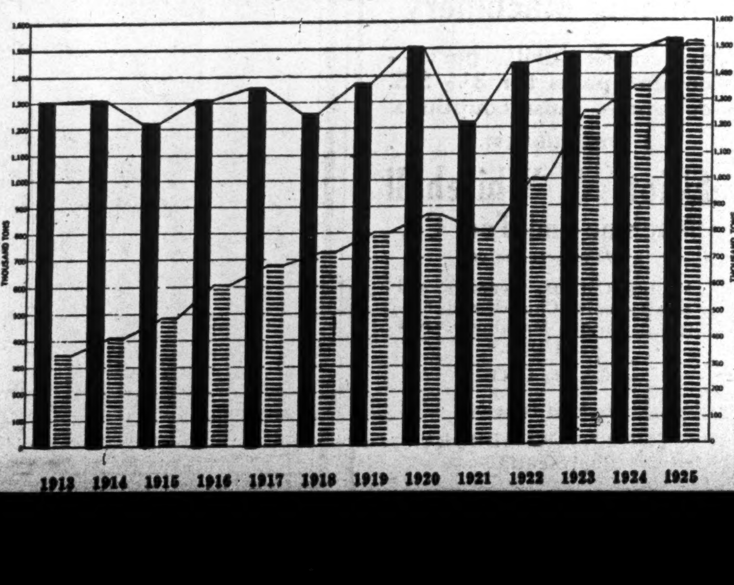
Although there was an increase of $5,991,582 in the debt of the Federal Government for December, the public debt dropped $36,010,903 since December of 1924. The detailed statement follows:

Public Debt—December 31—

| Liabilities | | | 1924 | 1925 |
|---|---|---|---|---|
| Funded Debt— | | | | |
| Payable in Canada | | | $1,906,387 | $1,922,975,118 |
| Payable in London | | | 336,001,469 | 311,668,136 |
| Payable in New York | | | 300,874,000 | 281,025,000 |
| Temporary Loans | | | 14,463,435 | 204,000 |
| Bank Circulation Redemption Fund | | | 6,339,376 | 5,904,274 |
| Dominion Notes | | | 243,798,398 | 225,916,499 |
| Savings Bank— | 1924 | 1925 | | |
| Post Office Savings Bank | 23,817,627 | 23,276,126 | | |
| Dominion Govt. Savings Banks | 8,777,982 | 8,604,344 | | |
| | | | 32,595,609 | 31,880,470 |
| Trust Funds | | | 14,182,058 | 14,383,174 |
| Province Accounts | | | 11,920,327 | 11,919,990 |
| Miscellaneous and Banking Accounts | | | 75,338,592 | 56,463,203 |
| Total Gross Debt | | | 2,941,901,150 | 2,862,339,868 |
| Investments— Assets | 1924 | 1925 | | |
| Sinking Funds | | | 37,993,639 | 38,234,537 |
| Other Investments | 642,137,421 | 645,967,561 | | |
| Less Non-Active | 556,093,942 | 556,804,894 | | |
| | | | 86,043,479 | 89,162,667 |
| Province Accounts | | | 2,296,173 | 2,296,173 |
| Miscel. and Banking Accts | 455,245,851 | 408,065,782 | | |
| Less Non-Active | 57,423,923 | 57,154,320 | | |
| | | | 397,821,927 | 350,911,461 |
| Total Active Assets | | | 524,155,220 | 480,604,840 |
| xTotal Net Debt 31st December | | | 2,417,745,930 | 2,381,735,027 |
| xTotal Net Debt 30th November | | | 2,411,754,347 | 2,382,616,883 |
| Increase of Debt | | | 5,991,582 | ......... |
| Decrease of Debt | | | ......... | 881,856 |

xNo credit has been taken for non-active assets.

Newsprint output of the United States (black columns) and Canada (shaded columns) during past thirteen years.



# Says Canadians Too Modest About Canada

Are Canadians too diffident about telling of the great assets, wealth and opportunities of their own country? Col. A. E. Kirkpatrick, president of the Fidelity Insurance Company of Canada, thinks that they are. In his annual report to the shareholders of the company he refers to the recovery Canada has made from the effects of the war and adds:

Americans for years past have praised to the skies their own institutions—in fact, the expression "the greatest in the world" has become almost a national phrase as expressing their own opinion about a hundred different features of their country or the manner of doing things therein.

The result of this extraordinary self-confidence has no doubt had its effect on the people of other countries, and, to a large extent, acted as propaganda, which has for many years turned to their shores a mounting tide of immigration, carrying with it many of the best of our British stock who instinctively should have come here.

They have many things they think the best in the world and lose no opportunity of proclaiming it. The world takes them at their own valuation, and the world will take us at our own valuation. Therefore, every Canadian should lose no opportunity of lauding our greatness, belittling our difficulties, and, in the vernacular, we should drop false modesty and "tell the world" of our greatness and our abounding faith in the greater things on the threshold of which we are standing.

### TO REPRESENT HUDSON CO.

A. Ernest Butler, for the past two years connected with the mining department of A. L. Hudson and Co., has been elected a member of the Standard Stock and Mining Exchange, and will, in future, represent his firm on the floor.

The Forty-seventh Annual Report of

The British Mortgage Loan Company

OF ONTARIO

STRATFORD, ONTARIO

The net profits for the year 1925, after defraying the expenses of management and all other charges, including Dominion, Provincial and Municipal taxes, amount to $92,754.86, to which has been added $3,623.27 brought forward from 1924 and Premium on sale of stock, $69,800, making a total of $166,178.13, of which the following distribution has been made:

| | |
|---|---|
| Dividends, Nos. 94 and 95 at 12% per annum on paid-up capital stock of $500,000 | $60,000.00 |
| Bonus of 2 per cent. in addition | 10,000.00 |
| Transferred to reserve fund | 80,000.00 |
| Balance carried forward | 16,178.13 |
| | $166,178.13 |

The president, Hon. Nelson Monteith, expressed satisfaction at the return of prosperity to the farmers and resultant improvement in collections; commented on increase in all departments of company's business and mentioned net gain of over five hundred savings accounts in 1925. Thought time had come for an extension of service to the community and announced Board's recommendation to seek trust company powers.

Vice-President, James W. Brown, paid tribute to the pioneers of this locality, many of whom were also the founders of this company, and whose caution and business judgment prompted the establishment of a strong reserve in the past when profits were comparatively small.

Shareholders passed report unanimously and also voted appreciation to directors, etc. Endorsed recommendation as to trust company and reelected former directors.

At Directors' Meeting, Hon. Nelson Monteith and James W. Brown, re-elected President and Vice-President respectively. Decided to petition for special act of Ontario Legislature to secure trust company powers under the name of "The British Mortgage and Trust Corporation of Ontario."

| ASSETS | | |
|---|---|---|
| Office Premises (Freehold) | | $ 30,000.00 |
| Real Estate held for sale | | 1,500.00 |
| Mortgages—Prin. | $3,410,311.35 | |
| Interest | 80,497.10 | |
| | | 3,490,808.45 |
| Bond Securities: | | |
| Bonds of Canada and the Provinces of Can. | 72,928.00 | |
| Canadian Municipalities | 542,022.00 | |
| Interest on Bonds | 14,725.00 | |
| | | 629,675.00 |
| Cash on hand | 21,758.94 | |
| Cash in Bank | 69,567.56 | |
| | | 91,326.50 |
| | | $4,243,309.95 |
| LIABILITIES | | |
| To the Public: | | |
| Debentures and accrued Interest | | $1,598,436.82 |
| Deposits and Interest | | 1,399,795.00 |
| | | $2,998,231.82 |
| To the Shareholders: | | |
| Capital stock (fully paid) | 568,900.00 | |
| Reserve Fund | 610,000.00 | |
| Contingent Fund | 10,000.00 | |
| Dividend and Bonus (since paid) | 40,000.00 | |
| Balance carried forward | 16,178.13 | |
| | | 1,245,078.13 |
| | | $4,243,309.95 |

NELSON MONTEITH, President. W. H. GREGORY, Manager.

The Public's Chief Concern

IN the matter of telephone service we believe the public's chief concern is in two points:—

[1] People want to know that they can count upon getting a complete telephone service of high quality, day and night, now and in the future.

[2] People want such service at a price that is as low as sound business practice permits, and less than the value of the service received.

These points are the essence of true public service, and this company is just as deeply concerned in them as is the public.

At the present time, as we have explained, an increase in rates is needed to assure the continuance of the kind of service our subscribers require.

The reasons are:—

[1] Our earnings per telephone have declined, due to the great development of lower rate service, such as two-party line.

[2] Large additions to plant at present-day prices, as compared with the low price levels of a few years ago, have increased the fixed charges to be provided from our earnings.

[3] The low rate of depreciation suggested by the Board of Railway Commissioners, as a temporary measure, is now known to be inadequate to protect the investment.

A reasonable adjustment of the wide difference between present telephone rates and the cost of doing business is an obvious necessity.

Such technical subjects as property valuation, rate of return, and depreciation expense have an important part in determining telephone rates. Casual discussion of such subjects is often misleading, for it can deal only briefly with matters that must be gone into in great detail to be clearly understood.

¶ These and all other factors will be presented in detail to be fully considered by the proper public authority, the Board of Railway Commissioners for Canada.

The booklet "Telephone Service and Rates" states the facts of our position. A copy has been mailed to all our subscribers. If your copy has not reached you, we shall be glad to send you one.

THE BELL TELEPHONE COMPANY
OF CANADA

FRANK KENNEDY, Manager.

# News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

## NEW INTEREST IN MINING CORP. IS HAVING SUCCESSES

### Cobalt Properties Do Extra Well—New High-grade Finds in Lorrain

Mining Corporation shares are selling around $4. The latest progress report of the company has aroused a big interest in the shares. The particular features which seem to have aroused the speculative interest are the Flin Flon deal and the Cryderman claims in Central Manitoba. Besides the report shows that both the Cobalt and Lorrain operations are doing very well.

It is clearly evident from the report that a great deal of good ore has been opened up on the old Cobalt properties, which as long ago as a couple of years, were considered through. And seemingly the end is not yet. For instance, on the Cobalt Lake No. 16 vein has a length of 220-ft. with possibilities of extensions on both ends and is being stoped on two levels. The same would apply to 11 vein opened for 163-ft. In addition 190-ft. of drifting has been done on five other veins with faces still in ore. These veins are in addition to the regular producers and besides other new ores are yet to be developed.

**South Lorrain**

Watson vein has opened out two new high grade shoots. A short one, 8 to 10 inches wide, between levels 3 and 4 and a 37-ft. shoot above 150-ft. level, showing 5 to 12 inches width. an 80-ft. stope on the Woods vein the main vein which shows 8 to 12 inches of high grade.

Good mill ore has been opened in an 80-ft. stope on the Wood's vein above level 3, but no high grade has been opened up.

A body of mill ore was being stoped on 225-ft. level, when a high grade shoot was uncovered. For 15-ft. it showed 4 inches of 4,000 ounce ore. The report says that the cross-cut to explore the territory west of the Woods' vein in the direction of Beaver Lake, has advanced 1,100 ft. from No. 3 shaft on the 8th level. No. 8 vein previously cut by this cross-cut, has been drifted on for several hundred feet, but although some silver was exposed in the early work, no high grade has yet been developed. Another 4-in. calcite vein has recently been cut, but no drifting on it has yet been done, and the cross-cut is being continued west.

Cross-cuts are also being run east from the Watson vein on the 150-ft. level and west from No. 2 vein on the 400-ft. level on Little Keeley ground.

A drift is being run on No. 2 vein on the Little Keeley on the 300-ft. level which shows at the present time six inches of cobalt ore.

Cryderman claims in Central Manitoba total 31 and on these a vein has been traced for 1,500-ft. The average width is 12-ft.

## OXFORD-COBALT HAS CUT A STRONG VEIN

### Diamond Drilling Has Met With Encouraging Results in Exploring

In drilling a flat diamond drill hole south from the shaft No. 3, Oxford Cobalt mines, in South East Coleman, reached the contact between the diabase and the overlying keewatin at 352 ft., and about 20 ft. beyond cut a very strong calcite vein crossing the drill hole at about 60 degrees. Allowing for the angle, the calcite vein measures a full foot in width. The significant features is that all the calcite veins on this claim that have been followed have developed shoots of cobalt or silver ores. These veins in the shallower depths near the shaft were rather narrow. The object of the diamond drilling was to locate the diabase contact and to prove continuation of the veins in the keewatin at the greater depth. Some 30 feet beyond this wide calcite vein, what appears as an important fault was cut. This proves all the favorable conditions continue into the deeper keewatin.

Further diamond drilling is now in progress at each of the other shafts to further prove up the deeper keewatin basin on claims A-100 and C-1000.

### Castle Sorts Out Waste Instead of High Grade

Rather a striking procedure in sorting of ore at the crusher mouth has taken place at the Castle property in Gowganda, A. G. Burrows, provincial geologist, states. They used to pick out the high grade on the sorting table at the crusher and let the remainder go through the crusher. Now the procedure is to pick out the waste rock and let the high grade go on through the mill. About twenty tons of waste is cobbed out daily.

### Both Railways Watch Flin Flon Development

Both C. P. R. and C. N. R. railways are watching the developments of the Flin Flon property in Northern Manitoba with a great deal of interest. No doubt the development of the property will result in a great deal of tonnage. C. P. R. is reported to have a survey party in north of Nipawin, Sask. There is a feeling at The Pas that a line from that point north west may be run by private capital and leased to the C. N. R. much the same as the C. N. R. line in Northwest Quebec.

**LEAVES GEOLOGICAL SURVEY**

Albert O. Hayes, Ph.D., for several years with the Canadian Geological Survey, has been appointed professor of geology at Lafayette College, Easton, Pa. He is a graduate of McGill Montreal.

## Why Do Premier Shares Sell So Low? A Possible Explanation

### Guggenheim Interests Are in Dominating Position and Never Wanted the Shares to Get Very High—Yield Now About 15%.

Why does Premier Mines, Portland Canal area, paying 32c. a share, par value $1 yielding about 15 per cent., not sell higher?

The above question is frequently asked. It is sent to The Financial Post almost weekly by subscribers from different parts of the country.

The answer has been hard to get but what is said to be the real explanation was recently communicated to The Post by a B. C. mining authority, in a position to know the facts. He says that Guggenheim interests with the support of other large interests in the company are able to control about 51½ per cent. of the stock. They do not want the shares to sell high. Premier has had a remarkable dividend record having paid something like $8,000,000 in five years and is now distributing 8 cents per share quarterly, 32 cents a year, involving a distribution of $400,000 each quarter. Recently the company increased its milling capacity from 150 to 400 tons and increased its power development by two thirds. The company has remarkable high grade ore bodies, with a tremendous tonnage of low grade. Our informant says that if the proposition was handled as it might be the company could be distributing now $750,000 quarterly instead of $400,000 quarterly. Guggenheims own Tacoma Smelter. They need a tremendous tonnage of flux for this smelter. Instead of bringing the milling capacity of the Premier up to the point where it would be capable of treating the tremendous low grade tonnage in the mine they have been shipping $6 and $7 ore from the mine at Portland Canal down the Pacific to the Tacoma smelter. When the haulage and smelter charges are paid there is little left for the mine.

Our informant also says that after a recent discovery that a high grade body on B. C. silver dipped into Premier was made, the stock never moved. If it had been any other proposition the stock would have doubled. Seemingly, though, the real reason for the cheapness of the shares is that Guggenheims never wanted the stock high, fearing that if there was a collapse at any time, it would injure their standing in British Columbia.

## GOT FIRST TYPICAL SOUTH LORRAIN ORE

### Lorrain Trout Lake's Recent Discovery of Considerable Interest

Lorrain Trout Lake has made its first discovery of typical south Lorrain high grade. It was opened up for 30-ft. on the 175 ft. level, south of the shaft in a branch vein and assays around 5,000 ounces. Heretofore the ore found has been heavily oxidized. The width is 3 to 15 inches. A drive to pick it up on the 240-ft. level is now being made.

Much interest centres around the development of the company's south claim. A shaft has been sunk 365-ft. and over 1,000-ft. of work has been done. Considerable encouragement has been met with in opening up veins containing cobalt with some silver. These have been found about 300,-ft. above the contact and it is now the intention to sink a winze to test out these veins at a lower horizon.

### Block of 5,000 Sq. Miles Favorable For Silver Finds

There is a tremendous acreage of favorable ground in which silver may be found in Northern Ontario, that is still to be intensively prospected. A. G. Burrows, provincial geologist, says there is about 5,000 square miles of diabase with intruding quartzite and in this large area, outside the proven sections of Cobalt, Lorrain, Gowganda, Casey, there have been veins found, but no ore bodies. Mr. Burrows was optimistic as to the possibilities.

## OUTLYING SECTIONS OF GOWGANDA GOOD

### Provincial Geologist Burrows Tells Institute Branch of Developments

Members of the Toronto branch of the C. I. of M. M. recently had the pleasure of an address by A. G. Burrows, provincial geologist, on Gowganda camp. He spent a month last fall making a study of the camp and presented quite an optimistic picture as to the possibilities of this silver camp.

Mr. Burrows traced the early history of the camp from the time when Messrs. Fairburn and Cartwright made the first stakings up to the present. The bulk of his attention was given to the main producing section, but he had some encouraging things to say for the outlying properties and their possibilities of developing into mines. This was particularly true of the Mann Ridge section where he said there were some idle properties that had merit and also of the Lakes section in the eastern part of the camp. The lakes, he said, might represent a large fault.

### Capitol and Castle Are Subject of Gossip

Gossip is circulating freely about Capitol and Castle. It is believed that this gossip, coupled with the fact that Capitol recently got some fair ore in drilling and that there is strong support behind the market, is responsible for the move up that has taken place in the shares of Capitol of late.

There are all kinds of rumors about that Castle and Capitol are to be thrown in together. The find of ore which has been made on the Capitol has been on the south claim in the vicinity of the Huronian Belt claim and Tonopah operations and runs 350 ounces.

### Bennett Co. Lets Contract For Sinking 500-ft. Shaft

The recent annual meeting of Bennett Mining Co. was marked by the letting of the contract to sink a shaft 500 feet. Stations will be cut at each 150-ft. level. The meeting was quite harmonious, all the old directors being re-elected. There were 75 per cent. of the shareholders present.

During the meeting a move was started among shareholders to take up additional stock with the result that when the meeting was over it was found that $28,000 had been subscribed.

**AMERICAN**

American Cyanamid surface plant on the Sterling zinc mine in Nova Scotia was recently destroyed by fire. It is understood that a new plant is already on the property and will be in place to operate in 30 days. The company is erecting a large smelter on the Saguenay.

**CROWN RESERVE**

Diamond drilling has been started on Crown Reserve property in Larder Lake. No one seems to know who is providing the funds. The Post's guess is New York mining interests.

## TWENTY-FIVE MILE GOLD BELT STAKED IN N.-WEST QUEBEC

### Spectacular Developments in Eastern Part of Camp Are Overshadowed

Last week some information was given in regard the development of gold properties in the eastern part of the Quebec mineralized zone and which has been crowded out of the limelight because of the spectacular operations around Rouyn. Some additional information is to hand which indicates that at present spectacular gold finds have been made from Bosquet Tp., through Cadillac, Malartic and south into Fournier Tp., a distance of 24 to 25 miles.

The most active operation in the area has been the O'Brien and this company has recently taken up an additional square mile which it is prospecting. It is diamond drilling the property in Cadillac.

It is understood that Huronian Belt will improve the camps on the Thompson in Cadillac and later start surface work and sinking. There are 35 men now on the property.

Two or three deals are reported for Malartic properties and a big New York deal is pending.

Porcupine Goldfields Development is operating the Kennedy-Sladen in Fournier and is reported to have made a spectacular find recently.

### Much Free Gold Found In Whitewater, B.C., Area

VANCOUVER.—The interior district between Whitewater and Bella Coola, one of the most sparsely settled sections on the globe, possesses good mineral possibilities, according to Dr. Victor Dolmage, who conducted a geological survey into that section. The eastern contact of the Coast Range of mountains was the most likely place to find minerals, he said. Whitewater goldfields contain a great amount of free gold, although none yet had been found below the surface. Some of this gold had panned as high as $50.

### Horne Copper Corp. Will Be Noranda Subsidiary

Horne Copper Corporation is to be the name of the Noranda subsidiary to handle the Horne property. There will be 2,000,000 shares of no par value, the same as Noranda, according to Quebec reports. Noranda will own 90 per cent. of this and doubtless share rights will be given holders of Noranda shares. It is this which has moved Noranda shares up to $17.

**AMULET**

It is reported that two mining plants have been ordered by Amulet in North West Quebec to explore simultaneously two of its groups of claims. Good surface results are reported on each.

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### Tonopah May Build Mill in the Spring

Tonopah Mining Co., operating the Walsh, Morrison and other properties in Gowganda, will build a mill early this year. The company has met with spectacular success in the development of the Walsh and is meeting with much encouragement on the Morrison. About 400 feet of high-grade ore has been opened up on the 330-ft. level and of late high-grade has been opened on the 400-ft. level.

## NIPISSING MEETS ENCOURAGEMENT

### South Lorrain Operation Has Opened up Couple of Veins

Nipissing's report for 1925 is expected to show a silver and cobalt production of $1,475,000. This is figured from the regular progress reports issued by the company. There may be some additions and to the net would be added "other income," generally a substantial item.

Dealing with South Lorrain exploration, Manager Hugh Park says the shaft has been carried down 300-ft. with levels at 205 and 275-ft. At the first level a crosscut encountered a fractured zone, showing a number of seams of low assay over a distance of 125 feet. A vein was found in this mineralized zone at both levels, which has an average width of four inches of cobalt and niccolite. Both the vein and country rock carry low silver values, but they are sufficiently high to give encouragement. The vein has been developed at the first level for 110 feet, and at the second level for 50 feet, indicating a cobalt shoot of at least 200 feet in length, with all faces still showing four inches of cobalt. With the exception of one face on the second level, further development has been stopped pending further cross-cutting in the search of possible parallel or branch veins.

### Base Metal Prices Are Somewhat Weaker Now

The base metal markets have turned weak of late. Copper is back to 14 cents and the demand is very slow. Zinc last week eased back to 7.95, but is back to 8.10 spot, 8.05 futures. Thus the premium on spot zinc has practically disappeared. Lead quotations have been unregular, London prices having been quite weak. Prices range at 9.25, but it is reported that there have been concessions from this price for forward delivery. Silver has been steady around 67½.

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## DO PRIVATE CO.'S RETARD MINING? A DEBATED POINT

### Contention is That O'Brien Operation Held Gowganda Back—Did It?

Are private mining operations a detriment or benefit to the country?

This is a question frequently asked. It is often applied to Gowganda.

Miller Lake O'Brien, up till a year or so ago, was the only successful operator in the camp. It was a private company. Engineers contend that had O'Brien been a publicly owned operation Gowganda would have been a tremendous big camp to-day.

There are two interesting sides to the question and one of them leaves the assertion just quoted open to question. To deal with it first.

There must have been a hundred mining operations carried on in the camp at one time. The first producer was a publicly owned venture controlled by a group of well known northerners. That operation is now a part of the O'Brien. It seems, then, just a question as to whether there would have been a camp at all if the private operation had not carried on.

Those that criticize the private operation contend that it being a closed corporation, makes no data public and neither does it greet the government geologists or visiting engineers with the same openness in regard geological experiences and information, as do the public operations. The result is said to be that the O'Brien operation had facts for years which had they been made public, as they might have been with a public operation, that the camp might have gone ahead. The engineers claimed that Castle's success and the open manner in which information was made public is what has brought the camp forward the last couple of years. Engineers claim that it would be a blow to the country did the heads of the publicly owned companies, such as Castle or Tonopah (the latter owned in Philadelphia) tighten up and give out only the same data as the private operation. The big charge behind the criticism of the private company is that it holds back the onward march of progress. The contention is set up that as these private operations are sharing the wealth of the country they should help in the expansion by telling what they learn.

The private companies on the other hand, contend that they have no stock in the hands of the public and that no one is interested or entitled to [illegible] on their operations.

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# News of the Mines

## NUMEROUS DEALS FOR PROPERTIES IN GREENWOOD, B.C.

### Million Dollars Involved in Transactions at Present —District Coming Back

GRAND FORKS, B.C. — Mining deals involving more than $1,000,000 are taking place in this district. More properties started shipping in 1925 than for a dozen years before and the value of the mineral production was greater than for any like period in the last decade. More new mineral claims have been recorded in the past twelve months than in the previous five years combined, and altogether there is a tone of optimism in mining circles such as has not been seen locally for a score of years. There is a distinct promise of a return of the active mining days of a quarter century ago which later gave place to the activities of big mining concerns and the mining only of large low-grade tonnages.

Although Beaverdell camp and Wallace Mountain properties have been particularly in the limelight in recent months with many deals of high-grade properties the mining revival extends throughout the district at Rock Creek. Greenwood, Phoenix, Grand Forks, Cascade and Franklin camp. Quite a number of new shippers are expected.

Consolidated Smelters Rock Candy mine at Grand Forks, which has been operating only intermittently and in a small way for some years, gives promise of being opened early in the spring and shipping well up to capacity with crews at both the mine and concentrator.

Sally group, which Federal Mining, a Guggenheim subsidiary, optioned recently for $500,000, have shipped three cars which have netted about $10,000 a car. Duncan McIntosh's Bell mine, which adjoins the Sally, has netted about $80,000 on the year's operations in 1925 and it is not surprising that the veteran operator refused an offer of nearly $500,000 for the Bell a few months ago.

## REVIEW OF MINING CORP'N'S POSITION

### Financial Post Will Give Readers Complete Analysis in Its Next Issue

The Financial Post will as often as possible review the position of the various mines to the end that its readers will have a complete record of these operations. Recently we reviewed McIntyre and Lake Shore. Next week it is proposed to deal with Mining Corporation. If you want to be sure and get these, and are not a regular subscriber, you had better send in your subscription at once. Fill out this coupon:

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### MINING STOCK QUOTATIONS

Week Ending February 2

| | High for week | Low for week | Close Feb. 2 | Close Jan. 26 | Sales for week |
|---|---|---|---|---|---|
| Apex | 3 | 3 | 3 | 3 | 3000 |
| Amulet | 1.35 | 1.25 | 1.29 | 1.29 | 47050 |
| Argonaut | 22 | 19½ | 21 | 19¾ | 294660 |
| Argo. Cons | 43 | 40 | 42 | 42¼ | 27200 |
| Area | 40 | 38 | 39 | .. | 21435 |
| Atlas | 1¼ | 1¼ | 1¼ | 1¼ | 6000 |
| Baldwin | 2⅝ | 2¼ | 2⅝ | 2¼ | 88050 |
| Barry Holl | 35 | 27 | 34¾ | 28 | 238650 |
| Beaver | 85⅞ | 75 | 82½ | 80 | 296300 |
| Bidgood | 8½ | 7½ | 8½ | 8 | 3200 |
| Bo'lamagne | 7.75 | 7.65 | 7.75 | 7.65 | 5715 |
| Buckingham | 2⅝ | 2⅝ | 2⅝ | 2⅞ | 1000 |
| Can. Lorrain | 86 | 82 | 84½ | 86 | 66210 |
| Capitol | 44½ | 36 | 43 | 36½ | 315650 |
| Castle Tre | 1.65 | 1.60 | 1.64 | 1.63 | 69019 |
| Chaput H | 20 | 15½ | 17 | 19½ | 106100 |
| Clifton | 3½ | 3 | 3 | 3 | 6000 |
| Coniagas | 4.20 | 4.00 | 4.00 | 4.05 | 1406 |
| Coniar'm | 4.25 | 4.10 | 4.20 | 4.00 | 1750 |
| Col. Kirkland | 5½ | 3½ | 5½ | 4 | 83400 |
| Cons. Smelters | 222 | 187½ | 219⅞ | 188½ | 40301 |
| Cons.W.Dome | 23½ | 22⅜ | 22¾ | 22½ | 200383 |
| Crown Res | 18½ | 16 | 18½ | 20 | 49300 |
| Dome Mines | 18.10 | 17.00 | 17.50 | 17.00 | 25017 |
| Everett | 8¾ | 8 | 8¼ | 8½ | 36500 |
| Goldale | 40 | 37¾ | 38¼ | 39¼ | 46800 |
| Gold Reef | 2 | 1½ | 2 | 1¾ | 15000 |
| Hattie, pref | 1½ | 1½ | 1½ | 1⅜ | 3000 |
| Hollinger | 19.15 | 18.75 | 18.90 | 18.97 | 6267 |
| Hunton | 13½ | 12 | 12½ | 12 | 173500 |
| Indian | 6 | 4 | 6 | 5 | 1099 |
| Laval, Que | 39½ | 36 | 37 | 37¼ | 72020 |
| Int.Nickel,com | 45⅜ | 42¾ | 45 | 42¾ | 1740 |
| Keeley | 1.78 | 1.70 | 1.76 | 1.74 | 23650 |
| Keora | 13¾ | 11 | 13 | 13½ | 106700 |
| Kirk. Lake | 1.25 | 1.11 | 1.20 | 1.24 | 282700 |
| Lakeside | 4¾ | 4 | 4¼ | 4 | 11000 |
| Lake Shore | 13.00 | 11.65 | 12.65 | 11.65 | 37965 |
| La Rose | 33½ | 31 | 32 | 33 | 6800 |
| Lorrain | 11⅞ | 9 | 10 | 11¼ | 67360 |
| Lorrain T.L. | 1.00 | 1.00 | 1.00 | 1.00 | 700 |
| McKinley | 24½ | 22 | 24 | 23⅛ | 55000 |
| McIntyre | 24.60 | 23.50 | 23.53 | 24.35 | 21710 |
| Mining Corp | 3.78 | 3.45 | 3.77 | 3.50 | 45455 |
| Moneta | 17⅛ | 16 | 17½ | 17 | 2500 |
| Newray | 42 | 40 | 42 | 42½ | 42000 |
| Nipissing | 7.10 | 6.90 | 7.00 | 7.00 | 8655 |
| Night Hawk | 12 | 9½ | 11 | 9 | 5500 |
| Noranda | 16.30 | 15.90 | 16.00 | 15.80 | 43960 |
| Ophir | 4 | 3¾ | 3¾ | 4 | 3000 |
| Pete Lake | 3 | 3 | 3 | 3 | 14000 |
| Porc. Crown | 5¼ | 5 | 5¼ | 6 | 6500 |
| Premier Gold | 2.25 | 2.22 | 2.24 | 2.20 | 5095 |
| Preston | 9½ | 7½ | 9 | 8 | 61300 |
| Teck Hughes | 3.70 | 3.43 | 3.58 | 3.50 | 195545 |
| Thomp. Krist | 2 | 2 | 2 | 2 | 6000 |
| Timiskaming | 14 | 14 | 14 | 14 | 200 |
| Tough Oakes | 51 | 48 | 49 | 50 | 78300 |
| Vic. Silver | 8¼ | 7 | 7½ | 8¼ | 19700 |
| Vipond Cons | 2.00 | 1.91 | 1.95 | 1.96 | 338808 |
| Wettlaufer | 5 | 4½ | 5 | 5 | 11000 |
| Wright Har | 9.50 | 8.40 | 9.15 | 8.50 | 35082 |

**Properties of Merit Wanted**

Prospectors having claims that will stand sampling write *Box 31, The Post.* No Promoters. Send all the facts.

## Mining Inquiries

### Canadian Kirkland

Reader, Grimsby.—Would you send writer information regarding Canadian Kirkland Gold Mine? Have you any idea of what they are asking for this stock? And do you know anything of the geological formation of their property?

Canadian Kirkland is not operating and has not been for some considerable time. There have been several attempts of late to get a deal on but no progress has been made. The stock is selling around 2c. a share. The property is well regarded.

### Kirk Gold

H. R. C., Ontario.—Would you give the writer your opinion of the Kirk Gold Mine? What price is this stock selling for to-day?

Kirk Gold is operating in Lebel Township, Kirkland Lake, carying on a very economical operation and at the present time diamond drilling. A. J. Morton & Co., Kent Building, Toronto, are financing the operation and are at present selling stock at 40c. per share. Some stock is available in unlisted security circles around 10c. to 12c., but we understand it is scarce.

### Teck-Hughes

A. H. W., Calgary.—I have an impression that some time ago I read that the Teck-Hughes Company were making a further issue of stock to provide for some capital expenditure, and that the shares would be allocated to the then shareholders. Since then I have heard no more about it. Can you tell me what happened, and, if not, give me the address of the secretary of the company, so that I can write to him direct?

Teck Hughes did make an additional offer of stock to shareholders, issuing in all some 227,000 shares of stock. The new shares were issued at $1.65, and holders of old shares were allowed to take up one new for every twenty held. The unalloted portion was sold to a Toronto brokerage house at the same issue price. The head office of the company is at Kirkland Lake, Ontario.

### Kirkland Proprietary

J. H. D., Kitchener.—Some few years ago we transferred Tough-Oakes mining stock into the Kirkland Lake Proprietary stock on the issue of 2 to 1. On account of the Tough-Oakes-Burnside being quoted at what we understand are much higher relative figures, we would be glad to have your advice as to what the Proprietary stock is really worth.

There is no market in Canada for shares of Kirkland Lake Proprietary. The great bulk of it is held in England. The latest quotation from London is 8/6, roughly $2. We should judge, however, that the interest in the Tough Oakes development would have material effect on the shares of Kirkland Lake Proprietary, especially when any good news comes out. At the present time the company is carrying on a very interesting operation which, if it works out well, should create quite a market interest for these shares.

### Rouyn Gold

A. C. B., Nova Scotia.—Being rather heavily interested in Rouyn Gold Co., and of late no statements having been issued informing the shareholders of the development taking place at the mine, or how they are obtaining the necessary financial aid to carry on, the secretary-treasurer, when approached for information, simply replied that the present price of the stock is due entirely to manipulation and that they are working all the time and have nothing new to report.

Rouyn Gold has a favorably located property in Quebec field. There is a feeling abroad that the bulk of attention given this proposition has been to the market side rather than to actual mining; also that the formation of the Quebec Gold Belt Company has behind it more ideas in regard to the market, than to mining. It is perhaps a month or so, since any work has been done on the property, but we understand there is some talk now of diamond drilling. There are a lot of stocks on the market we would rather hold. As you are doubtless aware they are making quite a drive in the Maritime Provinces for new funds.

**Lake Shore**
**Noranda**
**Keeley**
**Kirkland Lake**
**Teck-Hughes**

INFORMATION of current interest regarding these companies, as well as a general resume of existing mine conditions, is contained in the new issue, now ready for mailing, of

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## Accumulation of Mine Shares Heavy

Keora has been weak. Papers publish reports, in face of official denials, that the property will close. Only a week ago the mine and milling force was doubled. A new level at 275-ft. was opened. The vein is stronger there than on any of the above levels. It is four inches wide of argentite and nicolite. It is estimated that the ore shoot on the above levels is a week away yet. The mill and mine are now running two shifts.

Laval Quebec shares have been a little weaker. The company is about to start exploration of its large properties in Quebec and is regarded as having an excellent chance.

Capitol has had a material rise. This is dealt with elsewhere.

Heavy trading well scattered throughout the board, has continued on the Standard Mining Exchange. There have been some slight reactions from profit taking, but in the main the upward movement has continued and is gradually spreading.

The feature of the past week has been the rise in the Mining Corporation shares which were carried close to the $4 mark. In 1922 this stock was selling at $1 and the outlook then was anything but bright. Today the company has immense possibilities and the market has just come to realize this.

Lake Shore, Wright Hargreaves, Teck Hughes, Kirkland Lake Gold have held their position well during the week. Tough Oakes has held around 50 and seems to be in demand at this level. The annual meeting may be held about the 20th. It should be marked by some encouraging information. Work is being done east of the fault and some good results are being met with. If an ore shoot is developed here, there are possibilities of its extending for a mile.

## New Yorkers Are Drilling North of the Flin Flon

It is reported that interests associated with E. P. Earle, president of Nipissing Mines, are diamond drilling a property at Kissing Lake, north of the Flin Flon property on the Saskatchewan-Manitoba boundary. Thirty teams have been hauling in supplies from The Pas, Manitoba.

## Got 10-cent Cheque On His Teck Holdings

Early this week Teck-Hughes shareholders received cheques for the company's first dividend of 5 cents a share. One Toronto lawyer who held two pre-organization shares got a 10 cent check. His holdings, that he forgot about, are worth over $7.

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## Scott Turner Continues As Branch Chairman

At a recent meeting of the Toronto branch of the Canadian Institute of Mining and Metallurgy, the resignation of Scott Turner, now director of the U.S. Bureau of Mines, was received as chairman of the branch. Mr. Turner will now be spending the bulk of his time in Washington. It was decided by the meeting not to accept the resignation until after the summer recess at least.

**I.W.C. Solloway and Harvey Mills**

Announce the formation of a brokerage firm to specialize in stocks of Canadian Mines. Offices and board room on the ground floor of the Metropolitan Building, Adelaide and Victoria Streets, Toronto.

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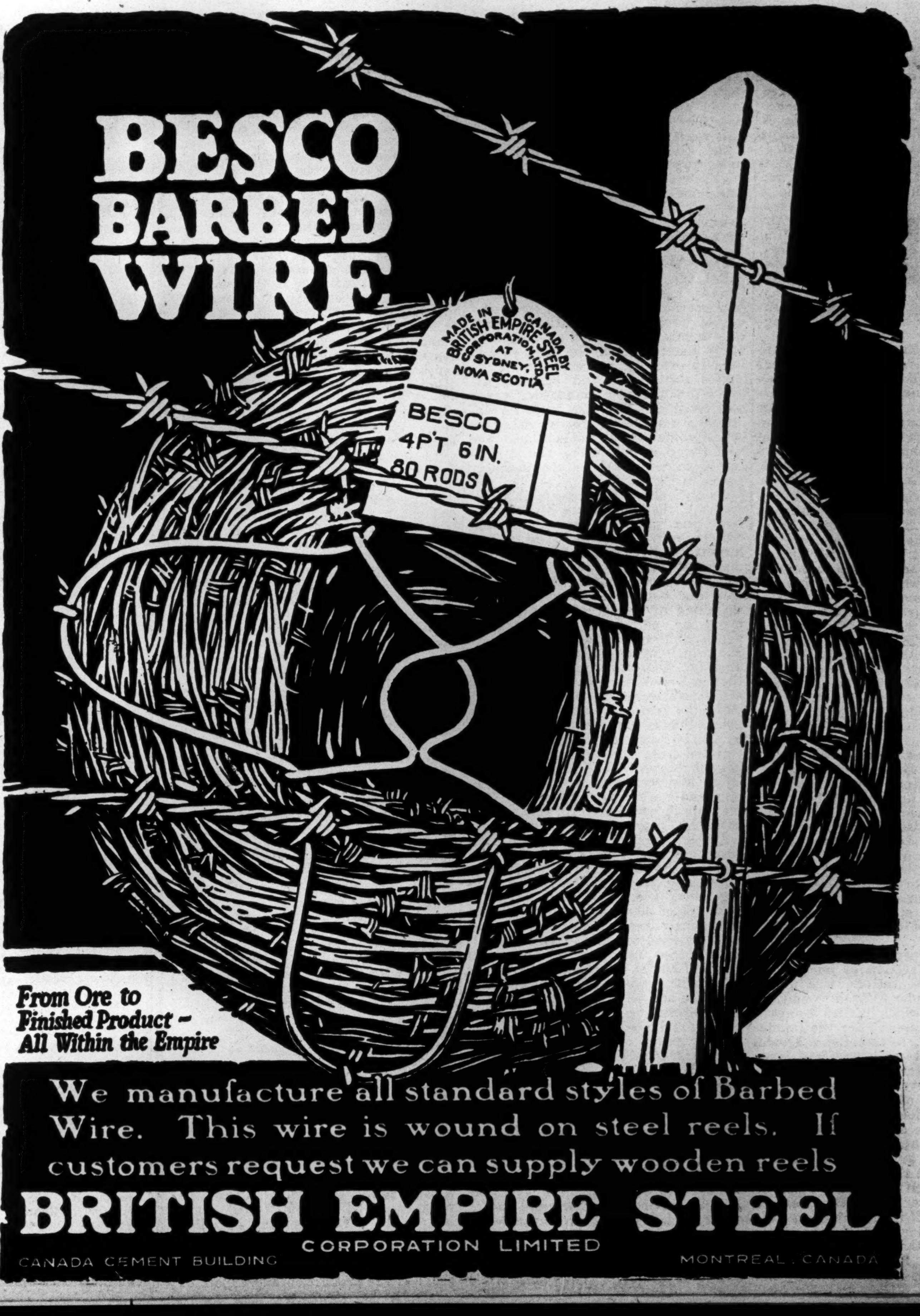
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### Noteworthy Progress made by

# Canada Permanent Mortgage Corporation

## $500,000.00 added to Reserve Fund

### Large Increases in Deposits and Debentures
### Assets now exceed $48,000,000.00

**The Annual Meeting of the Shareholders of the Canada Permanent Mortgage Corporation was held at the Head Office, Toronto, on Thursday, January 28th, 1926.**

**After the presentation of the Report of the Directors the Shareholders were addressed by the President, Mr. W. G. Gooderham, the General Manager, Mr. George H. Smith, and the Vice-President, Mr. E. R. C. Clarkson, as follows:—**

### PRESIDENT'S ADDRESS

The Report and Statement which have been submitted exhibit additional healthy progress in all departments. A comparison of the Balance Sheet with that of a year ago will disclose very considerable increases in the amount of our debentures and deposits, and in our mortgages on real estate, as well as in investments in Government and other Bonds of the very highest class and similar securities. While business conditions have not been favourable to the production of large earnings, the year's operations have given us a moderate increase in the Corporation's net profits after deducting all charges and losses, including the very heavy taxes shown in the Report, and after making the most ample provision for further possible losses.

The Directors feel so confident of the Corporation's thoroughly sound and strong position, and so satisfied that it can be maintained and increased in the future, that they have had no hesitation in approving the transfer of half a million dollars from the balance which had accumulated at the credit of Profit and Loss. This has increased the Reserve Fund to $7,500,000.

While it cannot be claimed that any very extraordinary improvement in business conditions took place in 1925, some progress was made both at home and abroad. Economically as well as politically, the year 1925 was distinctly constructive in European affairs. The Locarno conference, which was the outstanding international event of the year, has given the world reason to hope for a more real and lasting peace. A number of European countries are funding their debts, business is gradually reviving, the acute shortage of liquid capital on the Continent is disappearing, the purchasing ability of the people is gradually being restored and an improvement is taking place in the standards of living. This is enabling them to purchase more of our wheat, flour and other products as is evidenced by large increases in Canadian exports to Belgium, Germany, Russia and other continental countries, as well as to the United Kingdom.

In the Motherland, while what are known as the "heavy industries," coal mining, ship building, etc., are by no means prosperous, due to a considerable extent to unfortunate labour troubles, in many lines of business there is evidence of a decided improvement. Competent observers are of the opinion that the tide of trade is now flowing in the right direction.

Canadian agriculturists have still further strengthened their position as a result of the bountiful grain crops of 1925 which have been and are being marketed at remunerative prices. Our industries have made reasonable progress as a whole, considering the handicap of a comparatively excessive taxation, and our exports for the year 1925 exceeded those of the previous year by $212,928,956, while our imports were less than in 1923. The excess of exports over imports increased from $250,000,000 to $380,000,000. In these increases, while agricultural products figured very largely, a number of our manufacturing and other industries also shared.

If it were possible at an early date to be released from our unfortunate political situation, and a patriotic statesmanship untrammelled by the necessity for barter and bargaining for political existence could be given an opportunity to solve the national problems which are pressing for solution, there can be no doubt that the moderate improvement of which the foregoing figures afford evidence would be accelerated and no one would have any doubt concerning Canada's prosperity.

There is a very clamorous demand from a small section of our parliamentary representatives, who unfortunately are under existing conditions in a position which invites competition for their support, for the Dominion Government to establish a system of Rural Credits and provide a large sum of money for loaning to one class of the community. The recently issued official report of Manitoba's experiment in this field gives the Government's estimate of the loss the Province will sustain as about twenty-five per cent. of the amount loaned. It was also stated that the money which was loaned at seven per cent. cost the Province ten per cent. The previous experience of British Columbia was somewhat similar. Yet, it is seriously proposed that the over-burdened taxpayers of the Dominion shall take upon themselves additional heavy liabilities of this nature. In Manitoba 45,000 non-participating farmers, along with all other classes of the community, are bearing the extra burden of these heavy losses, imposed upon them in order to give 4,000 other farmers an undue advantage. The requirements of every borrower who has reasonably adequate security to offer have been and are being met by the lending institutions of the country, at rates of interest much less than the cost to the Province of the three millions of dollars loaned by Manitoba, and to-day these institutions have available for loaning sums much greater than there is any demand for.

We were favoured last year by a visit from our esteemed British Director, Mr. A. B. Campbell, of the firm of Mylne & Campbell, W.S., Edinburgh, who for more than half a century have represented the "Canada Permanent" in Great Britain. Mr. Campbell spent some time in Toronto, visited a number of eastern points and accompanied the General Manager on his annual visit to the Western Provinces, which took place during the harvesting operations. On his return to Toronto he expressed surprise and very great delight in the development which had taken place since the date of his former visit to Canada, and the satisfaction and pleasure it had given him to find from personal observation that the views he and his late father had so long held, as to the thoroughly conservative manner in which the Corporation's business is everywhere conducted and the exceptionally sound condition of its assets, were more than confirmed.

The General Manager will now make some further comments upon the Statement and Report, and upon conditions affecting the Corporation's business, after which I shall have the pleasure of submitting a motion for the adoption of the Directors' Report.

### GENERAL MANAGER'S ADDRESS

For the past two or three years Canada has been busily engaged in constructing the foundation for a new era of prosperity. Additional progress in this construction took place in 1925. Indeed, it may be said, as has been asserted by a prominent United States statistician and business adviser, that this new foundation is now completed and that the time for increasing confidence has arrived. Our friendly neighbour adds that "the best living conditions on the American Continent to-day are probably found in Canada."

As agriculture is Canada's principal industry, the importance of Canada's large and profitable grain crops cannot be over-estimated. The second largest crop in our history is being marketed at prices which give the producers a fair return for their labour and outlay. In large areas the threshing of this great crop was delayed by periods of wet weather which continued to a very late date and which were the source of much anxiety. Unusually favourable weather in December, however, permitted all threshing to be completed and, while the grain affected is of a lower grade this is much more than offset by the increase in grain prices which resulted from a cessation of the market congestion which had been created by an unprecedented rapidity in shipping and marketing. The crop of 1925 may quite possibly prove the most valuable Canada has produced.

It has been said that "good harvests act like a trickle of fresh oil through the cogs of rusty machinery, unfreezing credit and releasing buying power over wide areas." The liquidation of the western agriculturist's enormously heavy liabilities, created in the period in which credit was almost forced upon him, was begun in years of leaner returns and carried on by a thrift in which was involved much sacrifice and no little suffering. It is now proceeding in a more normal, orderly and less difficult manner. The buying power of the West has been largely re-established, though it may be used somewhat sparingly for the present. Necessities, however, can now be procured and are being purchased.

While wheat is yet, and will continue for a considerable period at least to be, the West's chief product, a greater diversity of farming operations is rapidly spreading over the Prairie Provinces. A year ago I quoted some statistics of the remarkable increase in the production of butter, eggs, poultry, honey and other foods, affording a regular and more reliable source of income. Further substantial progress in these directions were made last year. In Manitoba the area under wheat has been decreasing during recent years, while the quantity and value of dairy products is increasing year by year. In 1925 the average value of all farm products in Manitoba was $2,937 per farm as against $1,323 in 1911; an increase of 82%. Saskatchewan butter won the gold medal in the colonial department of the London Dairy Show last summer in competition with butter from all parts of Canada, and from New Zealand, Australia, South Africa and the Channel Islands. More than ten million pounds of Saskatchewan butter were marketed in Great Britain in 1925. What the future developments are likely to be may be inferred from the fact that as late as 1912 only about a million pounds of creamery butter were manufactured in that Province; while in two months of 1925 there was an output of 5,200,000 pounds, or more than the entire output of the year 1918.

In poultry also very healthy expansion is taking place. Alberta, which in a few years has changed from an importing to an exporting territory, claims second place among the Provinces in poultry per farm with an average of 80 head. Last year Alberta exported 60,000 cases of eggs, mostly to England and Scotland. Commercial houses in Alberta handled live poultry to a value of more than $3,000,000 and eggs valued at nearly $6,000,000.

As, notwithstanding the development thus rapidly taking place, the growing of wheat is likely for many years to be the chief industry of the West, the successful result of the experiments which have been taking place at the Dominion Experimental Farm at Ottawa in developing the new Garnet Wheat contains the assurance of greatly increased returns to the grain growers. The production of the earlier-maturing Marquis wheat about fifteen years ago revolutionized grain-growing in the prairie provinces and the great expansion in the volume of wheat grown has taken place since that important discovery. The newly discovered Garnet wheat promises to be an even greater boon. The period between sowing and harvesting will be reduced by another ten days and much of the existing liability to rust, frost and other deteriorating causes is expected to be eliminated, while the limits of the wheat growing area will again be pushed further north.

In British Columbia trade has been satisfactory, possibly more so than elsewhere. The salmon pack is estimated to be the second largest on record and has been sold at favourable prices. The lumber industry had a fair year with a large production yielding only moderate profits. As elsewhere, the pulp and paper industry is expanding. Mineral production totalling $61,491,600, is $12,786,996 in excess of 1924, and the greatest in the history of the Province. Only ten years ago the aggregate was less than $30,000,000. Building operations were quite active, and greater in value than for several years.

In the Maritime Provinces business conditions for the past few years have left much to be desired. Their geographical situation handicaps their trade with other portions of the Dominion and presents a problem calling for the earnest attention of the Government of the Dominion and of their own Governments as well. In finding a solution for their difficulties it would appear that assistance must come both from outside the Provinces and also from within. Trade in 1925 was in somewhat greater volume than in the previous year, except in the coal mining districts, which have suffered severely from repeated labour difficulties. Mineral production was much less than in 1924 and allied industries also suffered. There was a marked increase in the quantity and value of fish, the Lunenburg bank having the largest catch on record. This has caused a revival of shipbuilding and eighteen new fishing schooners were launched from the yards on the south shore in 1925, with nine more in course of construction. The Nova Scotia apple crop was below the average, dairy production increased twenty-five per cent., while other agricultural products were about normal. The excellent price obtained for the New Brunswick potato crop has put many of the farmers in good financial position. A material increase in the port business of both Halifax and St. John is an encouraging feature, as shipping is assuming such proportions as to call for increased facilities at both Ports.

In Ontario, the province which leads all others in the amount of our investments, our farmers have long followed a highly diversified form of agriculture and have been generally successful and prosperous. The slump in prices following the war years created some difficulties but their position is again improving. Prices of hogs are good and cattle prices are improving. The shipments of live cattle to Great Britain were the largest since 1911. Dairying is an important industry in Ontario and Quebec, and the production and export of both butter and cheese in 1925 constituted a record, and satisfactory prices were obtained.

But agriculture cannot be said to be Ontario's principal industry. The progress and prosperity of our cities are very largely identified with our manufacturing industries. Industrial employment had a fair recovery throughout the year, during the latter part of which it has been at a higher level than at any time since 1923. Those industries which are utilizing Canada's natural resources are making rapid progress. The manufacture of newsprint and other forms of paper, pulp, etc., is increasing in a remarkable way and the exports of these products in 1925 were $15,000,000 in excess of the previous year.

The mineral production of Canada is also increasing rapidly. The total value for 1925 is estimated at $228,440,000, an increase of nearly $19,000,000 over 1924. Our Dominion now ranks third among the nations of the world in its production of gold and from the greatly increased interest being manifested in development of new areas further expansion is expected.

The latest statistics indicate that building operations were on a scale equal to or in excess of the previous year. In Toronto and other cities we believe the housing shortage which existed for some years has been fully overtaken, and it is not unlikely that for a time there may be a temporary surplus. Office buildings have been and are being erected considerably beyond present requirements.

The volume of immigration has again been disappointing. Those who came to Canada to take up farming have been well looked after and there is every prospect that they will become permanent and successful settlers. Canada has three great needs, more or less interdependent. They are more population, stability in governmental and fiscal regulations and relief from the oppressive system of taxation which discriminates against Canadian business. We are not without hope that improvement in these closely related conditions may obtain at an early date. The stage is set for an increased measure of prosperity. Its volume will depend upon how creditably our own people act their parts.

The Statement it has been our pleasure to submit to you does not require much explanation. The increases in 1925 in the amount of our Mortgages and of our Total Assets, as well as in the aggregate of liabilities to the public, or borrowed capital, are the largest in any year in the history of the Corporation excepting only when the figures were swollen by the absorption of another Company. The increase in the aggregate of Deposits and of Debentures payable in Canada was nearly three million dollars. A very large proportion of our Sterling Debentures which matured during the year was renewed, but at the reduced rate of interest offered we did not receive quite sufficient new money to equal the debentures repaid. This item is reduced by about £40,000. Money has been rather keenly in demand in Britain, the Bank of England rate is five per cent., the British War Loan continues to sell on a five per cent. basis and British investors have expected a good yield on their investments. However, as you have seen, we have received more than ample Canadian funds on very satisfactory terms.

Throughout the year the loaning market was at all times supplied with funds exceeding the demand, resulting in very keen competition both as to rates of interest and, what was more difficult to meet, excessive proportions of values being loaned. New loans made and mortgages renewed were at reduced rates of interest. Easy conditions in the money market are likely to continue for some months and possibly longer. Debentures which matured were renewed at lower rates and the new money obtained was also on more favourable terms than for some years. Though there was a very considerable increase in our mortgage investments, as all commissions and expenses connected therewith, as well as all charges associated with new and renewed debentures, were charged against the year's business, following our usual practice, the new investments did not make much contribution to the profits of 1925.

The amount of cash on hand and of readily negotiable securities, all of the highest class and chiefly consisting of Government Bonds, aggregates a sum equal to 77 per cent. of the increased amount of deposits at the end of the year. In this, of course, is not included the stock of The Canada Permanent Trust Company which is a permanent investment, increasing in value yearly. Its growth is steady, even though it may seem slow. The Trust Company is in a position to give, and is giving, its customers a class of service which cannot be excelled and for which it has received many expressions of satisfaction. Our Shareholders may most confidently recommend it to their friends. Though the Trust Company now has a Reserve Fund of $225,000 set aside out of earnings, its stock is carried in our Assets at par.

As is stated in the Directors' Report, the Net Profits shown are not only after deducting all charges and losses, but also after making provision for possible losses and contingencies. With respect to the latter, we have in no way departed from the rigidly conservative—one might very well say drastic—methods which have always proven to be more than ample. For example: the aggregate of our sales of real estate every year is considerably in excess of the book values thereof. Considering the small increase there has been in our population, the demand that exists for farm lands is most re-assuring. There are again buyers in the market, and in 1925 we disposed of more real estate than for several years. On some of the properties sold we made considerable losses, while in the case of others there were fair profits. The aggregate of our sales amounted to about $65,000 in excess of the amount at which they had been taken in our accounts. All the losses made were written off. A large portion of the profits has been held in reserve and not yet included in our earnings. The rentals received in 1925, from the properties remaining on hand at the end of the year, gave a return of more than Seven per cent. on the aggregate book values, though they were not all rented. None of the rentals received

(Continued on page 21)

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# CANADA PERMANENT MORTGAGE CORPORATION

### REPORT OF THE DIRECTORS

The Directors take pleasure in submitting to the Shareholders the Annual Statement of the business of the Corporation for the year 1925, together with Balance Sheet duly certified by the Auditors.

| | |
|---|---|
| The balance at the credit of Profit and Loss at the beginning of the year was | $ 488,637.19 |
| The net profits for the year, after deducting interest on borrowed capital, expenses of management and all charges and losses, after payment of Dominion and Provincial Taxes which amounted to $117,338.61, and after making provision for possible losses and contingencies, were | $ 946,167.24 |
| Making available for distribution | $ 1,434,804.43 |
| This sum has been appropriated as follows: | |
| Four quarterly dividends of Three per cent. each on the paid-up Capital Stock | $ 840,000.00 |
| Transferred to Reserve Fund | 500,000.00 |
| Balance carried forward at credit of Profit and Loss | 94,804.43 |
| | $ 1,434,804.43 |

The Reserve Fund now amounts to $7,500,000, being $500,000 in excess of the Paid-up Capital.

All which is respectfully submitted.

Toronto, January 13th, 1926. W. G. GOODERHAM, President.

## FINANCIAL STATEMENT

### 31st December, 1925

### ASSETS

| | | | |
|---|---|---|---|
| Office Premises: Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock (Ont.), Halifax | | $ 852,874.13 | |
| Real Estate held for sale | | 730,890.27 | |
| Mortgages on Real Estate:—Principal | $38,010,640.02 | | |
| Interest | 947,874.13 | | |
| | | 38,958,514.15 | |
| Loans on Bonds, Stocks, etc.:—Loans on Corporation's Stock | | 8,564.57 | |
| Loans on other securities | | 77,054.58 | |
| British Government 5% War Loan | | 236,167.44 | |
| Bonds of Dominion of Canada and Provinces of Canada | | 2,234,582.09 | |
| Bonds guaranteed by Dominion of Canada and Provinces of Canada | | 1,153,986.02 | |
| City of Toronto Bonds | | 374,874.49 | |
| City of London, Ontario, Bonds | | 20,000.00 | |
| Bell Telephone Company 5% Bonds and Canadian Pacific Railway Company Secured Note Certificates | | 637,042.82 | |
| Stocks—including $980,000 of The Canada Permanent Trust Company at par | | 1,464,342.99 | |
| Cash in Chartered Banks and on Hand | | 1,532,599.77 | |
| | | | $48,281,493.32 |

### LIABILITIES

| | | |
|---|---|---|
| To the Public— | | |
| Debenture Stock and Accrued Interest (£174,805 5s. 9d.) | $ 850,719.06 | |
| Debentures—Sterling—and Accrued Interest (£2,880,627 9s. 9d.) | 14,019,053.76 | |
| Debentures—Currency—and Accrued Interest | 10,014,052.38 | |
| Deposits and Accrued Interest | 8,575,231.95 | |
| Sundry Accounts | 17,631.74 | |
| | | $33,476,688.89 |
| To the Shareholders— | | |
| Capital Stock subscribed and fully paid | $ 7,000,000.00 | |
| Reserve Fund | 7,500,000.00 | |
| Dividend payable 2nd January, 1926 | 210,000.00 | |
| Balance carried forward at Credit of Profit and Loss | 94,804.43 | |
| | | 14,804,804.43 |
| | | $48,281,493.32 |

W. G. GOODERHAM, President.
GEORGE H. SMITH, General Manager.

### AUDITORS' REPORT TO THE SHAREHOLDERS

We beg to report that we have audited the books of the Canada Permanent Mortgage Corporation for the year ending 31st December, 1925, and have verified the cash, bank balances and securities of the Corporation.

That we have examined the foregoing statement and that it agrees with the books of the Corporation.

That after due consideration we have formed an independent opinion as to the position of the Corporation.

That after our independent opinion was formed, and according to the best of our information and the explanations given us, we certify that, in our opinion, the statement sets forth fairly and truly the state of the affairs of the Corporation.

That all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

Toronto, January 11th, 1926.

A. E. OSLER,
HENRY BARBER,
Chartered Accountants. } Auditors.

The following Directors were unanimously re-elected: W. G. Gooderham, E. R. C. Clarkson, Col. Albert E. Gooderham, F. Gordon Osler, William Mulock, K.C.; George W. Allan, K.C., of Winnipeg; Archibald B. Campbell, W.S., of Edinburgh; William Stone, George H. Smith and Norman Mackenzie, K.C., of Regina.

The Directors met after the adjournment of the Annual Meeting and re-elected Mr. W. G. Gooderham, President, and Mr. E. R. C. Clarkson, Vice-President.

General Manager—GEORGE H. SMITH.
Secretary—WALTER F. WATKINS.
Inspector of Branches—ROBERT HENDERSON.
Manager, Ontario Branch—CHARLES S. ROBERTSON.

## NOTEWORTHY PROGRESS IS MADE BY CANADA PERMANENT MORTGAGE

(Continued from page 20)

are ever taken into our profits until after the properties have been satisfactorily sold. All expenditures on our Office Premises for alterations and improvements were written off out of the year's profits. These premises are carried in our books at several hundred thousand dollars less than they originally cost, when construction was much less expensive than it has been for some years past. The amount of interest collected on our mortgages during the year considerably exceeded the amount of interest charged. All our bonds and similar securities are carried in our books at less than their market value. There are other features which might be mentioned, but I think I have said enough to substantiate the conservative nature of the Directors' Report and Financial Statement. Perhaps I may be pardoned if I add that this Statement is one in which I feel considerable pride.

To all the various officials and members of our large staff, of the Head Office and all the Branches, who have loyally co-operated to produce the gratifying results reported to you, I extend on your behalf, as well as my own, our sincere thanks and assure them of our appreciation of all their efforts.

### VICE-PRESIDENT'S ADDRESS

Mr. President.

I am glad to second your motion for the adoption of the Directors' Report. It contains the clearest evidence of the continued progress and prosperity of this Corporation. Our reserve has been increased by half a million dollars and now overlaps our paid-up capital.

I wish I could speak of an increased immigration to Canada, and particularly to our great west, but the tide has been rather against us. The latest governmental proposal to reduce the ocean carriage rate to £3 is very grateful news, and we hope it will be put speedily in force. The splendid harvest of the past season and the prices obtained for it should encourage all who have energy and a set purpose to establish a home with us. When we bid new settlers to come in and share our fortunes with us, we are inviting them to a land of great and proven fertility, in the progress and happiness of which we have the most abounding confidence, a land where Justice is supreme and is ably and impartially administered, and where the benefits of education are within reach of all. I do not know where they can go and have a better chance of having not only a home, but a fair competency sooner, and with more certainty, than elsewhere.

The cry against national expenditure and taxes has not abated, and will not abate until someone having inspiration and strength arises to put our national ways upon a more endurable plane.

Recent speeches in the Federal House indicate the existence of a lingering desire to dabble in rural credit so that the farmer may have money on mortgage at a less rate than he is paying. All we can say to this is that the Government does not yet understand that the investment of money on mortgage through such a wide country calls for a long-established and efficient system of inspection and continued careful supervision, and that even then the investment of large sums such as we control cannot be done without attendant risks which clip down the rate of interest charged to a none-too-liberal margin over what is paid for money in Britain and elsewhere. Costly experience has also shown with characteristic clearness that farmer borrowers, when they obtain credit from a governmental source, cling to the idea that payment is largely a matter of convenience to themselves. We do not know where this class of adventure has been proceeded with, without disaster.

The harvest of 1925 was prodigal in its fullness. The Field Crops of Canada were estimated as worth $1,112,000,000, being 12% in advance of the former year and sufficient to supply the need of a population many times larger than Canada has to-day—which is now put at nine millions of people.

I think, Sir, that I may conclude, with pride in the statement, that we have the best and happiest country in the world to call our own.

## N.S. Mortgage Corporation Has Not Used New Capital

The Mortgage Corporation of Nova Scotia, in its report for the year ending December 31, 1925, had profits amounting to $51,220, out of which $35,936 was paid in dividends, $14,000 was carried to reserve and $1,283 was placed in the new account.

The corporation holds mortgages amounting to $1,191,311 all on improved real estate except one of $287 secured by a debenture; Canadian Northern Railway bonds guaranteed by the Dominion Government, standing on the books at $11,000, and Dominion of Canada bonds due 1940, standing on the books at $17,475, both with accrued interest being less than the present market value, also cash in bank $21,454 and cash on hand $1,093 making in all the sum of $1,242,335. These items show an increase over last year of $80,404. The real estate held amounts to $34,205, a decrease from last year of $2,527.

The sum of $109,600 of the $500,000 of new stock authorized to bring the capital up to $1,000,000 has not yet been issued. This will be issued when required.

### NATIONAL TRUST DIRECTOR

MONTREAL.—Lt.-Col. William Leggat, M.C., of the brokerage firm of Leggat, Cassils and Company, members of the Montreal Stock Exchange, was elected a director of the National Trust Company at the annual meeting held in Toronto.

Before enlisting in Canadian Siege Artillery, in 1915, Mr. Leggat was the assistant manager of the Canadian Bank of Commerce in Montreal. On his return from overseas he formed the present firm.

## FEW NEW LOANS FROM THE WEST

### Hamilton Provident Finds Most New Business is on Ontario Securities

Increased earnings at $375,390 compared with $367,484 in 1924 and $360,654 in 1923 are reported for 1925 by the Hamilton Provident and Loan Corporation. Following is a summary of the company's profit and loss account and the earnings record for eleven years:

Profit and Loss

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Earnings | $375,390 | $367,484 | $360,654 |
| Interest | 112,289 | 111,952 | 107,439 |
| Expenses | 51,026 | 51,459 | 46,201 |
| Com. on loans | 8,603 | 2,686 | 5,914 |
| Inspect'n of land | 4,491 | 5,538 | 6,890 |
| Taxes | 23,701 | 28,971 | 20,796 |
| | $200,110 | $195,606 | $187,240 |
| | $175,280 | $171,878 | $173,415 |
| Distribution— | | | |
| Dividends | 120,000 | 120,000 | 120,000 |
| Reserves | 50,000 | 50,000 | 50,000 |
| Contingent | 5,280 | 1,878 | 3,414 |
| | $175,280 | $171,878 | $173,414 |

Eleven Years' Record

| Year | Paid-up Capital | xProfits | Div. | % Prof. av. Cap. | Earn. rate |
|---|---|---|---|---|---|
| 1925 | $1,200,000 | $175,280 | 10 | 14.5 | 6.5 |
| 1924 | 1,200,000 | 171,878 | 10 | 14.2 | 6.5 |
| 1923 | 1,200,000 | 173,415 | 10 | 14.4 | 6.6 |
| 1922 | 1,200,000 | 170,001 | 10 | 14.1 | 6.8 |
| 1921 | 1,200,000 | 156,925 | 10 | 13.0 | 6.2 |
| 1920 | 1,200,000 | 161,895 | 9 | 13.4 | 6.7 |
| 1919 | 1,200,000 | 159,730 | 9 | 13.2 | 6.6 |
| 1918 | 1,200,000 | 160,846 | 8 | 13.3 | 7.0 |
| 1917 | 1,200,000 | 168,482 | 8 | 14.0 | 7.7 |
| 1916 | 1,200,000 | 173,031 | 8 | 14.4 | 8.2 |
| 1915 | 1,200,000 | 161,449 | 8 | 13.4 | 7.6 |

xTaxes deducted.

The reserve fund now amounts to $1,500,000, which compares with a capital liability of $1,200,000; there is a contingent fund of $46,018. It is reported that payments maturing during the year under mortgages have been satisfactorily met. There was an active demand for loans on Ontario securities but little new business offered from the Western provinces.

The company has assets of $5,403,283. Deposits are shown at $830,506, currency debentures $693,163, sterling debentures $587,865 and debenture stock $372,786. Loans on mortgages amount to $4,884,406 and of securities to $272,768.

## Landed Banking Adds to Its Big Reserve

Increased profits for the Landed Banking & Loan Company were reported for 1925 at $260,001, compared with $253,864 in 1924 and $233,704 in 1923. Interest, taxes and expenses all showed increases with the result that after payment of 9 per cent. dividend and adding $40,000 to the reserve the balance was reduced from $32,553 to $22,433. Following are comparative figures from the profit and loss account:

Profit and Loss

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Earnings | $260,001 | $253,864 | $233,704 |
| Interest | 77,797 | 71,684 | 68,497 |
| Taxes | 18,399 | 13,165 | 12,736 |
| Expenses | 43,925 | 37,835 | 35,631 |
| | $140,121 | $122,684 | $116,864 |
| | $119,880 | $131,180 | $116,840 |
| Bal. forwar | 32,553 | 21,373 | 44,533 |
| | $152,433 | $152,553 | $161,373 |
| Distribution— | | | |
| Dividends | $ 90,000 | $ 90,000 | $ 90,000 |
| Reserve | 40,000 | 30,000 | 50,000 |
| Balance | 22,433 | 32,553 | 21,373 |
| | $152,433 | $152,553 | $161,373 |

Nine Years' Record

| | Paid-up Capital | xNet Profits | Div. | % Prof. av. Cap. | Earn. Rate |
|---|---|---|---|---|---|
| 1925 | $1,000,000 | $119,880 | 9 | 11.9 | 5.2 |
| 1924 | 1,000,000 | 131,180 | 8+1 | 13.1 | 6.3 |
| 1923 | 1,000,000 | 116,840 | 8+1 | 11.6 | 5.8 |
| 1922 | 1,000,000 | 126,478 | 8+1 | 12.6 | 6.3 |
| 1921 | 1,000,000 | 121,452 | 8 | 12.1 | 6.2 |
| 1920 | 1,000,000 | 119,274 | 8 | 11.9 | 6.2 |
| 1919 | 1,000,000 | 120,598 | 8 | 12.0 | 6.4 |
| 1918 | 1,000,000 | 129,501 | 8 | 21.9 | 7.2 |
| 1917 | 1,000,000 | 135,885 | 8 | 13.5 | 7.9 |

xTaxes deducted.

During the year the company's assets increased from $3,889,947 to $4,032,966. The reserve fund amounts to $1,050,000 compared with paid-up capital of $1,000,000, and there is an additional reserve of $70,000 for contingency. Savings deposits of $1,063,236 compare with $1,012,473 a year ago. Mortgage investments total $3,204,708.

### RETURNING TO PEACE RIVER

EDSON.—Canadians in the United States who abandoned their Peace River homesteads two years ago when times were hard, are making innumerable inquiries as to conditions for making a return migration this spring, according to a local immigration authority.

# *Insurance Company Reports*

## North American Life Wrote $29,000,000 New Policies

North American Life wrote $29,224,836 of new insurance in 1925, an increase of $2,984,882 over 1924. Business in force at the end of the year was $137,995,713, an increase of $11,370,664.

Cash, income was $6,381,004 and policyholders were paid $2,911,886 out of which $676,779 was paid as dividends to policyholders. Assets now total $29,288,010 and surplus is $5,036,982.

An increased dividend scale for policyholders has been announced by the company.

The company holds of Dominion and provincial government bonds, $4,841,751, municipal debentures and other bonds, $10,276,667, showing a total increase of $1,269,815 over the previous year. The amount held in stocks is $2,223,641. The amount invested in mortgage loans is $6,029,906, being an increase of $195,169 over the previous year.

Various important changes in the company's directorate were announced at and following the annual meeting. L. Goldman retired from the presidency and was succeeded by W. B. Taylor. Mark Bredin and Arthur C. M. Master, K.C., were confirmed in their appointments to the board. John A. Paterson and Col. D. McCrea retired and were succeeded by Avern Pardue, Hon. Geo. H. Henry and H. H. Ardagh.

## London Life Reports Increase in Business

Total insurance issued by the London Life Insurance Co. during 1925 amounted to $64,052,390, which is a substantial increase over the figures for 1924, which stood at $53,583,740 and sets a new high water mark for the company, according to the 51st annual report. Total insurance in force after deducting reinsurance amounted to $211,445,484, against $178,325,375, the increase for the year being $33,120,108, against an increase the previous year of $26,544,566.

The revenue account for the year shows receipts of $8,719,479. Premiums ordinary and industrial being $6,735,416 and disbursements of $1,927,886 paid to policyholders or heirs with all other disbursements amounting to $2,378,436, leaving a balance to investment account of $4,413,155. There was added to the free surplus $202,437, making a total under this heading of $1,308,426. The rate of interest earned on all invested assets was 6.911 per cent. after deducting all overdue and accrued interest where there was the slightest question of its ultimate collection. Total assets of the company are shown at $31,481,239.

The company holds no speculative securities, its investments being chiefly real estate, first mortgages and government and municipal debentures. The surplus earnings for the year were the greatest in the history of the company, being on Dec. 31, 1925, after making full provision for profits to policyholders, $3,662,917 in excess of requirements of the Dominion Insurance Act.

## Monarch Life Shows Very Healthy Growth

With new and revived insurance for the year of $9,349,268, and in addition double indemnity assurance amounting to $1,601,000—a total of $10,950,268—the assurance in force of the Monarch Life Assurance Company amounted at the end of 1925 to $46,109,096 of which $3,113,000 represented double indemnity assurance. The total assurance in force apart from double indemnity assurance, amounted at the end of 1925 to $42,996,096 compared with $39,742,334 at the end of 1924 and $25,564,980 at the end of 1920, while in 1915 the total was $7,747,835 and in 1910 $3,009,746. Income for 1925 totalled $1,562,772 compared with $816,452 in 1920, $205,153 in 1915 and $95,194 in 1910. This record of expansion of this Western company, particularly during the period of depression, is a credit to the aggressive management and must be a matter for satisfaction to the shareholders as well as policyholders.

Of the company's invested funds about 25 per cent. are in bonds and debentures, over 56 per cent. on first mortgages, while 14 per cent. has been placed in policy loans and slightly over 2 per cent. in real estate. The investment reserve was again increased to $44,000 and the expense ratio reduced in 1925.

## Crown Life Made New Records in 1925

New records were established by the Crown Life Insurance Company, as shown by the 25th annual report. Not only does the showing for 1925 stand out, but the progress of the company's development is indicated by the fact that business has doubled in the past four years and quadrupled in the past eight years. In 1925 the amount of new policies issued was 20 per cent. greater than in the previous year and the volume of insurance in force was increased by approximately $10,000,000 to a total of $60,404,541.

With the increase in business over $1,000,000 was added to the company's assets which now total $7,427,821. Both the policyholders reserve and the policyholders dividend fund has been increased by much larger amounts than in the any previous years.

The results of the year were so uniformly satisfactory that a further increase in the scale of dividends to policyholders was justified, this new and higher scale being put into effect on January 1. At the annual meeting President G. T. Somers referred to the excellent position of the company's assets and to the almost negligible amount of interest outstanding on the company's large mortgage holdings.

H. Victor Cawthra has been made a director to fill the vacancy caused by the death of the late William Dineen.

## Portage-La-Prairie Mutual's Good Year

The forty-second annual report of the Portage-la-Prairie Farmers' Mutual Fire Insurance Company shows the year just passed to have been the most successful in the 42 years history of the company.

The amount of insurance written during 1925 shows a very creditable increase of $1,839,815 over the business of the previous year. Surplus assets have increased by $137,273.

Stratton Whitaker, manager of the company, referred to the report of the Dominion Government insurance department which showed that over a period of three years the loss from fire claims for farm property in Canada was 120.56 per cent of the premiums collected.

## Perth Mutual Fire Had Satisfactory Year

Highly satisfactory reports on the year's business were presented at the 62nd annual meeting of the Perth Mutual Fire Insurance Company. A considerable increase in business was reported for the year, the company now having 26,781 policies in force. The net amount of risk represented by these is $45,489,419. The company's cash assets amount to $1,016,669.37, and premium notes bring the total assets up to $1,237,531.88. The balance of assets over liabilities is shown as $1,066,467,41.

## Saskatchewan Hail Losses Only 31 Per Cent. in 1925

The year 1925 was a good one for hail underwriters in Saskatchewan. A. E. Fisher, superintendent of insurance, states that the loss ratio for 1925 was 31.3.

With respect to the Saskatchewan Municipal Hail Insurance Association, E. G. Hingley, secretary of the association, reports that "speaking from a provincial standpoint the 1925 season will be recorded as one where the losses from hail were below the average. The losses of the association during 1925 were somewhat higher than those of 1924, but were not considered exceptional in any way. The storm of July 14, cost the association in the neighborhood of $500,000. The total claims payable for the season amounted to approximately $670,000, while the total revenue from the flat rate and crop rate will be approximately $1,100,000. The insurance carried exceeded $27,000,000. The average premium rate works out at about 4 per cent. of the risk."

## British Mortgage to Get Trust Company Powers

At the annual meeting of the British Mortgage Loan Company at Stratford the president, Hon. Nelson Monteith, expressed satisfaction at the return of prosperity to the farmers and the improvement in collections. He expressed the opinion that the time had come for an extension of the company's service to the community and announced the board's recommendation to seek trust company powers.

## CANADA TRUST HAD ANOTHER GOOD YEAR

### Increased Earnings and Assets Reported—Comparative Figures for Huron & Erie

In connection with the annual report of the Huron & Erie Mortgage Corporation, reported in The Financial Post last week, the following summary gives the comparative figures from the profit and loss account and the earnings record for eleven years:

Profit and Loss

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Profits | $572,815 | $571,914 | $570,036 |
| Taxes | 60,068 | 57,677 | 49,474 |
| Premises | 15,000 | 13,000 | 20,104 |
| | $ 75,068 | $ 70,677 | $ 69,578 |
| | $497,747 | $501,237 | $500,458 |
| Bal. forward | 51,938 | 25,701 | 25,243 |
| | $549,685 | $526,938 | $525,701 |
| Distribution— | | | |
| Dividends | $375,000 | $375,000 | $350,000 |
| Reserve | 100,000 | 100,000 | 150,000 |
| Balance | 74,605 | 51,938 | 25,701 |
| | $549,685 | $526,938 | $525,701 |

Eleven Years' Record

| | Paid-up Capital | xNet Profits | Div. | % Prof. av. Cap. | Earn. Rate |
|---|---|---|---|---|---|
| 1925 | $5,000,000 | $497,747 | 7½ | 9.9 | 7.2 |
| 1924 | 5,000,000 | 501,237 | 7½ | 10.0 | 7.4 |
| 1923 | 5,000,000 | 500,458 | 7 | 10.0 | 7.5 |
| 1922 | 5,000,000 | 521,482 | 7 | 10.5 | 8.0 |
| 1921 | 5,000,000 | 531,444 | 6+1 | 10.6 | 8.4 |
| 1920 | 5,000,000 | 505,943 | 6+1 | 10.1 | 8.2 |
| 1919 | 5,000,000 | 496,737 | 6 | 9.9 | 8.2 |
| 1918 | 2,500,000 | 452,493 | 12 | 18.0 | 8.0 |
| 1917 | 2,500,000 | 430,577 | 12 | 17.2 | 7.8 |
| 1916 | 2,500,000 | 422,012 | 12 | 16.9 | 7.8 |
| 1915 | 2,458,415 | 411,493 | 12 | 16.9 | 7.9 |

xTaxes and amount written off premises deducted.

The Canada Trust Company, which is owned and operated in conjunction with the Huron & Erie, reports a continued growth and increased profits for 1925. Following is a comparative summary of the profit and loss record:

Profit and Loss

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Profits | $129,375 | $124,298 | $103,278 |
| Taxes | 20,527 | 16,955 | 9,260 |
| | $108,848 | $107,343 | $ 94,018 |
| Bal. forward | 18,393 | 1,041 | 12,015 |
| | $127,241 | $108,384 | $106,033 |
| Distribution— | | | |
| Dividends | $ 90,000 | $ 89,991 | $ 79,992 |
| Reserve | 25,000 | ...... | 25,000 |
| Balance | 12,241 | 18,393 | 1,041 |
| | $127,241 | $108,384 | $106,033 |

Eleven Years' Record

| | Capital Accounts | Guar. Trust Accounts | Estates, Trusts, etc. |
|---|---|---|---|
| 1925 | $1,807,241 | $5,097,379 | $10,270,143 |
| 1924 | 1,788,388 | 5,198,141 | 9,816,872 |
| 1923 | 1,766,036 | 4,416,355 | 9,070,792 |
| 1922 | 1,752,011 | 2,933,732 | 8,532,003 |
| 1921 | 1,788,370 | 3,478,554 | 6,613,613 |
| 1920 | 1,750,633 | 4,223,152 | 5,064,237 |
| 1919 | 1,685,752 | 4,860,636 | 4,234,387 |
| 1918 | 1,645,597 | 4,719,765 | 3,544,906 |
| 1917 | 1,595,271 | 4,528,581 | 2,790,190 |
| 1916 | 1,534,090 | 3,318,224 | 2,659,503 |
| 1915 | 1,472,392 | 3,045,144 | 1,754,332 |

The company's assets now total $17,174,765 compared with $16,803,000 in the previous report.

The company has no real estate on hand, all properties which have come into the possession of the company by foreclosure failure to obtain purchasers under power of sale or otherwise having been sold.

## B.C. Permanent Loan Had a Better Year

A nice improvement in earnings is reported by the British Columbia Permanent Loan Company for 1925. The total shown is $202,517 compared with $190,004 for the previous year, while the figures for the net profits are $74,554 and $68,468 for the two years respectively. Following are comparative figures from the company's profit and loss account:

Profit and Loss

| | 1925 | 1924 | 1923 |
|---|---|---|---|
| Earnings | $202,517 | $190,004 | $197,949 |
| Expenses | 55,960 | 55,404 | 45,465 |
| Interest | 64,003 | 60,206 | 58,534 |
| Income tax | 8,000 | 5,926 | 19,445 |
| | $127,963 | $121,536 | $123,444 |
| | $74,554 | $68,468 | $74,505 |
| Bal. forward | 2,306 | 9,284 | 10,166 |
| | $76,860 | $77,752 | $84,671 |
| Distribution— | | | |
| Dividends | 66,093 | 75,445 | 75,386 |
| Balance | 10,767 | 2,306 | 9,285 |
| | $76,860 | $77,752 | $84,671 |

Eleven Years' Record

| Year | Paid-up Capital | xNet Profits | Div. | % Prof. Av. cap. | Earn Rate |
|---|---|---|---|---|---|
| 1925 | $944,599 | $74,554 | 6+1 | 7.9 | 4.6 |
| 1924 | 943,319 | 68,468 | 6+2 | 7.2 | 3.9 |
| 1923 | 942,424 | 74,505 | 6+2 | 7.9 | 4.2 |
| 1922 | 941,829 | 86,012 | 6+2 | 9.1 | 4.9 |
| 1921 | 940,763 | 101,435 | 6+2 | 10.9 | 5.9 |
| 1920 | 926,721 | 126,468 | 6+2 | 13.6 | 7.5 |
| 1919 | 923,721 | 91,789 | 6 | 9.9 | 6.5 |
| 1918 | 923,290 | 76,289 | .. | 8.3 | 4.3 |
| 1917 | 923,290 | 45,729 | .. | 6.0 | 2.8 |
| 1916 | 923,290 | 57,536 | .. | 6.2 | 3.3 |
| 1915 | 923,290 | 52,200 | 5 | 9.2 | 3.3 |

xProvision for income tax deducted.

During the year, new mortgage investments amounted to $655,416, and principal repayments by borrowers, to $441,510, while currency debentures and savings accounts increased by $37,000, and $67,000 respectively.

The directors have written down the company's real estate and buildings to $299,000 by appropriating $150,000 from the reserve fund for this purpose. The reserve fund now stands at $650,000, or 69 per cent. of the paid-up capital.

No uncollected items of interest on mortgages and agreements have been taken into the profit and loss account.

## MUTUAL FINANCE EARNINGS HIGHER

### President Points Out Company Has Not Lost Dollar Since Organization

Mutual Finance Corp., Windsor, had the best year in its history in 1925, earnings being nearly $16,000 greater than the previous year. After taking care of dividends, a substantial sum was added to the steadily growing surplus. Discussing the year's operations, Pres. A. F. Healy said:

It is interesting to look back a few years to 1919 when the company was organized. While those of us responsible for its creation realized the necessity and opportunity for such a company in this enterprising and rapidly growing community, little did we appreciate that, within six years, we would return to our shareholders, in dividends, $314,376, or $14,376 more than our original capitalization. It is a long way from "earnings" of $1,317 in 1919 to $131,181 in 1925; and "assets" of $332,845 to $2,609,330 during the corresponding period.

Our growth has been gradual and healthy, and your directors have carefully scrutinized every investment of the company, avoiding everything of a speculative nature in order that the shareholders' money might at all times be placed in income-producing properties.

The president proudly pointed to the fact that so cautious had the company been in the handling of its affairs that it had yet to experience the loss of a single dollar on any investment.

Mr. Healy is optimistic as to the future. He believes that a bridge across the river to Detroit will mean much. He says:

The rest of Canada must come to the realization that, as our big neighbor across the Detroit River develops and prospers, so shall we. The amazing growth of Detroit is reflected in the Border Cities. Its marvellous development has brought to it home problems which probably can be best solved by the Border Cities. The business man and the laboring man are finding it more convenient and desirable to live here than in their own city.

Earning and surplus statement since the company started is as follows:

| | Earnings | Surplus and def. profits | Div. |
|---|---|---|---|
| 1920 | $ 24,670 | $ 85,297 | $ 13,475 |
| 1921 | 65,149 | 142,292 | 42,256 |
| 1922 | 88,452 | 153,966 | 54,771 |
| 1923 | 103,821 | 186,904 | 62,162 |
| 1924 | 116,849 | 228,482 | 69,889 |
| 1925 | 131,181 | 236,908 | 71,707 |

BALANCE SHEET OF THE
TORONTO MORTGAGE COMPANY
For the Year Ending 31st December, 1925

ASSETS

| | | | |
|---|---|---|---|
| Office Premises in Toronto Street, unencumbered | | | $45,000.00 |
| Real Estate held for sale | | | None |
| Mortgages at face value, less provision for possible depreciation— | | | |
| Principal | | $2,067,216.27 | |
| Interest due | | 2,270.91 | |
| | | | 2,069,487.18 |
| Loans on Stocks and Bonds | | | 12,950.00 |
| Securities of the Dominion of Canada and its Provinces | | 522,689.22 | |
| Securities guaranteed by the Dominion of Canada or by its Provinces | | 146,705.44 | |
| Debentures of Canadian Municipalities | | 477,872.13 | |
| Other Bonds and Debentures | | 88,693.41 | |
| | | | 1,235,960.20 |
| Stocks fully paid up | | | 80,200.00 |
| Cash in Chartered Banks | | | 65,259.95 |
| Cash in Office | | | 3,551.37 |
| Total | | | $3,512,408.70 |

LIABILITIES

| | | | |
|---|---|---|---|
| To the Public | | | |
| Debentures, Sterling | | $1,532,447.00 | |
| Accrued Interest thereon | | 13,216.80 | |
| Debentures, Currency | | 270,517.65 | |
| Accrued Interest thereon | | 5,129.12 | |
| Deposits, Savings Accounts | | 95,757.65 | |
| Reserved for accrued Income Taxes | | 10,465.17 | |
| | | | $1,927,533.39 |
| To the Shareholders | | | |
| Capital Stock subscribed | $724,550.00 | | |
| Capital Stock fully paid | | $724,550.00 | |
| Reserve Fund | 750,000.00 | | |
| Added in 1925 | 50,000.00 | | |
| | | 800,000.00 | |
| Unclaimed Dividends | | 79.25 | |
| Dividend and Bonus declared and unpaid, due 1st Jan., 1926 | | 25,359.25 | |
| Profit and Loss Account, Balance carried forward | | 34,886.81 | |
| | | | 1,584,875.31 |
| Total | | | $3,512,408.70 |

PROFIT AND LOSS ACCOUNT

| | |
|---|---|
| DR. | |
| Interest on Sterling Debentures, paid and accrued | $79,347.16 |
| Interest on Currency Debentures, paid and accrued | 12,939.43 |
| Interest on Deposits | 2,907.74 |
| Charges on Moneys borrowed and lent | 6,581.27 |
| Cost of Management, viz:—Salaries, Directors' and Auditors' fees, office rent, etc. | 27,601.96 |
| Dominion, Provincial and Municipal Taxes | 10,517.29 |
| Dividends on Capital Stock at 10 per cent. | 72,455.00 |
| Bonus for the year of 1 per cent. | 7,245.50 |
| Transferred to Reserve Fund | 50,000.00 |
| Balance carried forward | 34,886.81 |
| Total | $304,482.16 |
| CR. | |
| Balance brought forward | $68,928.85 |
| Interest on Investments, and net rental from office premises | 235,553.31 |
| Total | $304,482.16 |

W. GILLESPIE, Manager. THOS. H. WOOD, President.

Points worthy of special note are: No real estate held for sale. Over 99 per cent. of the year's revenue collected in cash.

20th ANNUAL REPORT OF

The Monarch Life
ASSURANCE COMPANY

Incorporated by Special Act of Dominion Parliament.

Another Successful Year Added to Its Steady Record of Progress

| As at Dec. 31st | Assurance in Force | Assets | Income | Av. Interest Earned, % |
|---|---|---|---|---|
| 1910 | $ 3,009,746.00 | $ 302,497.15 | $ 95,194.78 | 8. |
| 1915 | 7,747,835.00 | 718,800.89 | 205,153.04 | 7.84 |
| 1920 | 25,564,980.00 | 1,814,157.55 | 816,452.31 | 7.60 |
| 1925 | 42,996,096.00 | 4,991,765.98 | 1,562,772.13 | 7.63 |

$46,109,096.00 Including Double Indemnity Assurance of $3,113,000.00

**ORDINARY ASSURANCE,** New and Revived for the year $9,349,268.00, and in addition **DOUBLE INDEMNITY ASSURANCE** amounting to $1,601,000.00 total $10,950,268.00.

**INVESTED FUNDS** distributed as follows: Bonds and Debentures 25.8%; First Mortgages, 56.6%; Policy Loans, 14.3%; Real Estate, 2.2 per cent; Cash 1.1 per cent.

**INVESTMENT RESERVE** was again increased to $44,000.00—Expense Ratio Reduced.

**NOTABLE INCREASES**—Assets, 17½%; Policy Reserves, 17%; Premiums, 17½%.

**AVERAGE INTEREST** of Life Companies is approximately—Canadian, 6¼%; American, 5¼%; British, 4¼%; **Monarch Life, 7.63 per cent. for 1925, and for past 15 years over 7¾ per cent.**

**SURPLUS,** including Policyholders' Profits (and exclusive of Paid-up Capital), increased to $375,576.55.

**PAYMENTS TO POLICYHOLDERS** in Claims and Dividends since commencement, $1,053,890.51.

LIBERAL PROFITS PAID TO POLICYHOLDERS
Directors and Officers:

President,
**W. A. MATHESON,** Winnipeg. Director Standard Trusts Co., and Home Investment and Savings Association.

Vice President and Managing Director,
**J. W. W. STEWART,** Winnipeg.

Vice-President.
**F. W. ADAMS,** Toronto, Vice-President, Adams Bros., Wholesale Saddlery.

**COL. H. A. MULLINS, M.P.,** Winnipeg, Canadian Director U. S. Fidelity and Guaranty Co.

**W. W. EVANS,** Toronto, President, Traders Finance Corporation.

**W. L. PARRISH,** Winnipeg, President Parrish & Heimbecker, Grain Merchants.

**GEO. H. STEWART,** Winnipeg, President, Hollinsworth & Co., Merchants, Calgary, Regina and Winnipeg.

**H. W. ECHLIN,** Winnipeg, President, Echlin Mfg. Co.

**R. J. GOURLEY,** Winnipeg, Director and General Manager, Beaver Lumber Co.

Assistant General Manager and Actuary,
**J. A. MACFARLANE, A.I.A.,** Winnipeg.

Treasurer and Loan Manager.
**GORDON H. COOPER,** Winnipeg.

Assistant Actuary,
**H. P. MORRISON, A.A.S.,** Winnipeg.

Supervisor of Agencies,
**JOHN H. ROMIG,** Winnipeg.

Secretary,
**G. J. TELFER,** Winnipeg.

Chief Cashier,
**ARTHUR SPLATT,** Winnipeg.

Auditors, **JOHN SCOTT & COMPANY, C.A.** Medical Referees: **E. S. POPHAM, M.D. WILLIAM ROGERS, M.D.**

MANITOBA AGENCY MANAGERS:
W. G. NEELY, E. HENSELWOOD, FRANK FREDERICKSON, Winnipeg; A. R. RETTIE, Brandon.

ADDITIONAL HIGH QUALITY REPRESENTATIVES REQUIRED

For particulars apply to—
H. F. Lowman, Superintendent Ontario Division, 36 Toronto St., Toronto, Ont.
F. H. Proby, Superintendent Mid-Western Division, 401 Northern Crown Bldg., Regina.
C. A. Crysdale, Superintendent Pacific Division, 580 Rogers Bldg., Vancouver.
Or to HEAD OFFICE, Winnipeg.

*Complete Annual Report mailed on Request.*

# THE
# TORONTO GENERAL TRUSTS
# CORPORATION

## 44th Annual Report Records Large Increase in Trusteeships. New Business in 1925 Largest in Corporation's History

### Hon. N. W. Rowell, K.C., LL.D., President, and W. G. Watson, General Manager, Review Conditions at Annual Meeting of Shareholders — Changed Atmosphere in Western Canada — Canadian Progress — Steady Growth of Trust Company Service.

The Forty-fourth Annual General Meeting of the Shareholders of the Toronto General Trusts Corporation was held at the Head Office of the Corporation at Toronto on Wednesday, the 3rd day of February, 1926, at 12 o'clock noon. The President, Hon. N. W. Rowell, K.C., LL.D., presided, and H. M. Forbes, Assistant General Manager, acted as Secretary of the meeting. W. G. Watson, General Manager of the Corporation, submitted the Annual Report for the year ended December 31st, 1925, accompanied by the usual statement showing the result of the operations for the year. The report to the Shareholders was then read as follows:

### PRESIDENT'S ADDRESS

Hon. N. W. Rowell, K.C., LL.D., President of the Corporation, addressing the Shareholders, spoke as follows:

In presenting the Forty-fourth Annual Report of the Corporation I wish first to refer to the serious loss the Corporation has sustained during the year in the death of two of its honored Directors, Mr. Hamilton Casseis, K.C., LL.D., and Mr. A. L. Malone.

Mr. Cassels was elected a Director in 1907, appointed a Vice-President in 1915, and elected Chairman of the Inspection Committee in 1916, and he retained these offices until his death. His long association with the Corporation, his intimate knowledge of its affairs, and his high sense of duty, and the judgment and ability he manifested in its service, made his death a serious loss.

Mr. A. L. Malone was elected a Director at our last Annual Meeting. For thirty-five years he was associated with the legal work of the Corporation, and the General Manager in his address will make fitting reference to the loss the Corporation has sustained in his death.

The vacancies on the Board have been filled by the election of Mr. Britton Osler, K.C., and Mr. Alexander Maclaren, Buckingham, Quebec, both of whom we welcome to the Board and congratulate the shareholders on their acceptance of the position of Director.

### MORTGAGE INVESTMENTS

As the General Manager will deal in detail with the financial statements included in the report, I shall refer to but two or three features in these statements. The first is the condition of our mortgage investments in the Province of Ontario. With mortgages amounting to $19,538,833, the total arrears of interest on the 31st of December amounted to only $34,207.00, and a large part of these arrears has since been paid. There could be no better evidence of the care and judgment exercised by the Corporation in making its investments than this fine record. It is also striking testimony to the sound financial condition and general prosperity of the Province.

This year also shows a decided improvement in the Corporation's business in Western Canada. In the Prairie Provinces the interest payments have been better, the sales of real estate on hand have been larger, and the prices of real estate have been firmer, so that one can say the Western investments of the Corporation stand in a substantially better position to-day than they did a year ago.

Our Ottawa, Winnipeg, Saskatoon and Vancouver offices all present better statements this year than last, showing that the improvement in the Corporation's business is not confined to any one Province or locality. The new business received by the Corporation during the year is the largest in its history.

During the year I had the opportunity of meeting with our Advisory Boards in Ottawa, Winnipeg and Vancouver, and I desire to pay a tribute to the fidelity with which these Boards have discharged their important and responsible duties.

### CHANGED ATMOSPHERE IN WEST

In visiting Western Canada one could not but be struck with the changed atmosphere. A spirit of self-reliance and assured faith in the future of the country was most marked in all the Provinces, and an examination of the conditions there leads one to conclude that this spirit of confidence and faith is entirely justified.

The prosperity of the Prairie Provinces is no longer solely dependent upon the wheat crop. In the past ten years, and particularly during the past five years, the basis of prosperity has been steadily and rapidly broadened. There has been a great development of mixed farming, and this development promises to continue even more markedly in the future. Probably the most conspicuous progress has been in the dairy and poultry industries, but in the raising of cattle and small flocks of sheep, in the keeping of swine, and in keeping bees for honey production, the Western Provinces have made a marked advance. This change has been going on in Manitoba for some years and is well illustrated by a few figures from the Provinces of Saskatchewan and Alberta:

In 1920 the creamery output of Saskatchewan was 6,638,000 lbs. In 1925 it was 15,900,000 lbs. Prior to 1920 there was no export of creamery produce from Saskatchewan. In 1925 the export is estimated at approximately 11,900,000 lbs. The estimated value of dairy products for the year 1924 was $20,000,000.

There has also been a striking increase in the poultry industry. In 1924 the value of poultry products was $8,276,000.

In 1911 Alberta produced 2,540,000 lbs. of butter. In 1924 the production was 22,335,000 lbs. The value of dairy products of Alberta in 1910 was $7,855,000; in 1923, $23,013,000. There has been a corresponding development in the raising of poultry. The value of poultry products increased from $2,000,000 in 1912 to $9,000,000 in 1924.

These results have not been due to diminished grain production, but are real evidence of the increased earnings of the farm population due to more diversified farming. It is still true, however, that grain production, particularly wheat, is the main source of the agricultural wealth of the Prairie Provinces, and the wheat crop of over 400,000,000 bushels, at present prices, has been a most potent factor in bringing about the present greatly improved conditions. Owing to the extent of our investments in Western Canada this change in conditions is particularly gratifying to your Directors.

### CONDITIONS IN BRITISH COLUMBIA

In British Columbia improved conditions are equally manifest. The opening of the Panama Canal and the development of Canadian trade with Australia, New Zealand, China and Japan, have produced a marked change in the conditions on the Pacific Coast. The establishment of large grain elevators in Vancouver, and the shipment of millions of bushels of grain through that port, have also contributed to the general progress and prosperity of the City and Province. The export trade of Vancouver is growing with great rapidity. The production of the lumbering, mining, agricultural and fishing industries for this past year is probably the largest in the history of the Province. We are justified in anticipating that the Corporation's business in British Columbia will share in this general progress and development.

### CANADIAN PROGRESS

Canadian progress and prosperity are more dependent upon foreign trade than we sometimes realize. Of this fact the wheat crop is the best illustration. While the cost of production and marketing the wheat crop is largely governed by domestic conditions, the price realized is largely governed by conditions outside of Canada, viz.: the world's supply and the purchasing power of our European customers. The price determines whether the crop is marketed at a profit or a loss and whether interest due on Western investments will be paid or fall in arrears.

Canada's foreign trade per capita for the year 1924 was only exceeded by that of Australia, Denmark, the Netherlands, New Zealand and Switzerland. Our foreign trade was over $200.00 per capita. It was $6.00 per capita greater that that of the United Kingdom, and nearly three times as great as that of the United States, which was $72.00 per capita. The comparative figures for 1925 will be found, I believe, to be still more favorable to Canada. Our favorable trade balance for the calendar year 1925 amounts to the splendid total of $392,000,000, the greatest in our history save during one of the abnormal war years. Agriculture is still the great basic industry of Canada. Agricultural, vegetable and animal products provided more than $750,000,000 of our total exports of $1,270,000,000 for the calendar year 1925.

### TRADE WITH ORIENT

Not only is our foreign trade steadily expanding, but new channels of trade, particularly on the Pacific, are rapidly developing. Our total trade for 1925 with China, Japan and Hong Kong, amounted to over $55,000,000. This is a market capable of very great expansion, in view of the teeming millions of Asia. Our exports to the Far East greatly exceed our imports. Our exports alone to China, Hong Kong, Japan, Australia and New Zealand amounted last year to $73,000,000. It was not until after the year 1896 that our total exports to Great Britain reached as large a figure as this.

I have already pointed out that our increasing trade with the Orient is having a marked effect upon economic and industrial conditions in British Columbia, and, notwithstanding the disturbed conditions in China, which we must all greatly deplore, these disturbances must sooner or later come to an end, and in the benefits which will come to Canada, and particularly the Pacific Coast, through the expansion of trade with the Orient, this Corporation, through its Vancouver office and in its associations in British Columbia, is in a position to share.

### INTERNATIONAL SITUATION

The extent and value of our foreign trade depend, in a large degree, on political and economic conditions in other lands. It should, therefore, be a matter for great gratification to all Canadians that there has been a marked improvement in the general European situations during the past year.

Since the Armistice, Europe has been passing through a transitional period from war to peace. The conclusion of the Locarno Agreements, and the admission of Germany to the League of Nations, which is to take place before the Locarno Agreements become operative, lays the foundation for real peace in Western Europe. The settlement of the Greco-Bulgarian war by the League of Nations shows that even in troubled and restless Eastern Europe the forces of law and order are prevailing.

After years of discussion the United States has finally decided to adhere to the protocol constituting the Permanent Court of International Justice. The adherence of the United States to this court is a most significant and helpful factor in the international situation. While a distinguished American jurist is already a member of the court, and the adherence of the United States will not effect any change in the personnel or powers of the court, it will undoubtedly add to its prestige, and it evidences the purpose of the United States to co-operate with other nations to secure the peaceable settlement of international disputes. While there are still serious disturbing factors in the European situation, these four notable events in the international sphere, all within the past twelve months, indicate a great improvement in the international situation.

With peace and stability in Europe should come a marked improvement in the purchasing power of our European customers, with resultant benefits to the people of Canada, and in these benefits your Corporation will undoubtedly share.

### TRADE OUTLOOK

Canada is not only emerging, she has emerged, from the financial depression of the past few years, and is now entering upon a very important era of development and expansion. Conditions are now more favorable for immigration than they have been in years, and agricultural immigrants are one of our greatest needs. Given an active and vigorous immigration policy which results in bringing settlers to Canada and placing them on the land, the conditions in Western Canada will register another great advance, and every advance in the West will contribute to the progress and prosperity of the East.

Your Corporation is national in its outlook and interests, and as a trust company it seeks to render useful and efficient services in all the six Provinces in which it is licensed to do business. Its progress and prosperity depend upon the progress and prosperity of Canada. I therefore congratulate the shareholders on the marked evidences everywhere manifest of improved agricultural and business conditions and of increasing commercial and industrial activity.

Before closing may I express my personal appreciation of the whole-hearted co-operation of every member of the Board of Directors in the work of the Corporation. I desire also to thank the General Manager, the Branch Managers and the other officers and staff for their continued devotion to the service of the Corporation.

The President then called upon Mr. W. G. Watson, General Manager, to address the meeting.

### ADDRESS OF W. G. WATSON, GENERAL MANAGER

Mr. Chairman and Gentlemen,—In addressing you to-day on the occasion of the Forty-Fourth Annual Meeting of the Shareholders of the Corporation, I desire, first, to place upon record a slight expression of the sorrow and loss sustained by the Officers and Staff of the Corporation through the sudden passing on the 5th day of August last of one of our general solicitors in the person of Anthony L'Estrange Malone.

When your present General Manager joined the Staff of the Corporation in 1897, Mr. Malone had already served four years as one of our solicitors, in which capacity he continued with us uninterruptedly until the day of his death. It is a long time in the life of any man, and I wish to bear this personal testimony in memory of "Andy" Malone, that he was a good friend of ours during all these years, and that he was never more appreciated or his counsel more highly valued by the Officers of the Corporation than on the busy day in the evening of which he "passed over." He was a man of excellent judgment, whose advice and counsel could be relied upon, and one who disliked litigation, advising it only as a last resort. We shall greatly miss his cheery manner and familiar presence about our office, but with him in memory we shall continue to foregather.

### FINANCIAL STATEMENTS

The Financial Statements of the Corporation for the year ended the 31st of December, 1925, again record substantial progress as a result of the year's operations, which I trust will be satisfactory to you as Shareholders.

It will be seen from the Profit and Loss Statement that the net profits for the year are $381,941.04, representing a fair increase over the preceding year, which, together with $107,364.10 carried forward from last year, enabled your Directors, after providing for the usual dividend of $240,000; the Dominion, Provincial and business taxes of $51,925.12; writing off some $13,000 expended in alterations to our Head Office Building, and the transfer of $50,000 to Contingent Reserve, to carry forward in Profit and Loss Account a credit of $134,380.02.

The Assets and Liabilities Statement, as at the end of the year, shows assets under administration of $152,791,520.13, or an increase for the year of $8,752,310.20, which, as between the three separate and distinct sections of our Assets Statement, is made up of $24,198.64 increase in our own Capital Account, $977,049.95 increase in Guaranteed Funds, and an expansion of $7,751,061.61 in the Estates, Trusts and Agencies Section.

### GROWTH OF CORPORATION

It will be a matter of interest to you to mark the growth that has taken place in the assets under the care of the Corporation during the last fifteen years. In 1910 these stood at $41,601,297; in 1915, $71,869,470; in 1920 they had increased to $113,762,324, and in 1925 to $152,791,520, or an increase in fifteen years of no less than 267%. These figures, I need hardly remind you, do not include Mortgage Deeds of Trust under which we act as Trustee for Bond Issues made by industrial and other companies which run into very many millions of dollars, which for obvious reasons should not be treated by us as assets.

We have, however, a great variety of assets, as you can well understand, comprising nearly every class of commodity or instrument in which modern wealth can be expressed, and extending, as they do, into every Province of the Dominion and to the far places of the earth. Who could confine the Britisher or Canadian to any particular area in the matter of his investments, any more than in his travels he can be kept within any restricted zone or territory? And so the modern trust company must have correspondents and friends in many lands and know its way about in many realms of business enterprise.

In this connection, I wish to say that as Shareholders you are to be congratulated upon the very keen and constructive interest taken in your affairs by the members of your Board of Directors and the Advisory Boards at the several Branches of the Corporation, representing as they do so many phases of commercial and financial business, as well as the legal profession in all its departments. Here is a combination of business and legal experience and ability that is available from week to week, not only in the matter of investments, sale of securities, etc., but for advice and counsel upon technical or unusually difficult matters that crop up in the administration of estates and trusts in these days of diversified assets and complex business situations.

### CAPITAL ACCOUNT

Referring to the first Section of the Assets and Liabilities Statement which has to do with our own Capital funds, this, I may say, contains a frank statement of the position of our Real Estate held for sale, and our Agreements for Sale. A considerable amount of activity prevailed in the sale of farm lands in the West, as is reflected in a substantial increase in Agreements for Sale Account, and, on the other hand, there fell in during the year a number of properties where action had been found necessary, not only from among mortgages held on our own Capital, but from Guaranteed Account, where we do not carry real estate, transfers being promptly made from this section to our own Capital Account. The value of the Real Estate held for sale, however, greatly exceeds the amount at which it is carried on our books, and the Operating Account relating to this block of property, after absorbing the year's taxes and all other charges for upkeep and betterment to December 31st last, netted a substantial revenue return for the year.

The amount outstanding in Sale Agreements Account is less than 75% of the actual total of the sales represented by these agreements, which in itself is an indication of the conservative nature of this asset. The Agreements styled in the statement as "Conditional," covering, as they do, sales made on

(Continued on page 23)

# THE
# TORONTO GENERAL TRUSTS
# CORPORATION

**Forty-four years of Trust Company growth and progress reflected in Annual Statement.**

**Substantial increase in Trusteeships during 1925.**

**Total Assets under Administration now exceed One Hundred and Fifty-two Millions.**

The Forty-fourth Annual Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Corporation's Head Office in Toronto on Wednesday, the 3rd day of February, 1926, at 12 o'clock noon. The President, Hon. N. W. Rowell, K.C., LL.D., presided, and Mr. H. M. Forbes, Assistant General Manager, acted as secretary of the meeting. The following reports for the year ended December 31st, 1925, were read and submitted by Mr. W. G. Watson, the General Manager, and approved by the meeting.

### Profit and Loss Statement

| | |
|---|---|
| By Balance brought forward from 31st December, 1924 | $107,364.10 |
| By Net Profits for year, after deducting management expenses, Directors' and Auditors' fees, advertising, rents, and all other charges | 381,941.04 |
| | $489,305.14 |
| APPROPRIATED AS FOLLOWS— | |
| To Quarterly Dividends Nos. 115, 116, 117 and 118, at the rate of 12% per annum | $240,000.00 |
| To Amount provided for Federal, Provincial and Business Taxes | 51,925.12 |
| To Amount expended on special alterations to Corporation's Office Premises written off | 13,000.00 |
| To Contingent Reserve Fund | 50,000.00 |
| To Balance carried forward | 134,380.02 |
| | $489,305.14 |

### Assets

| | | | |
|---|---|---|---|
| CAPITAL ACCOUNT— | | | |
| Office Premises and Safe Deposit Vaults at Toronto, Ottawa, Winnipeg, Saskatoon and Vancouver | | $1,000,000.00 | |
| Rents due and accrued | | 6,470.99 | |
| Real Estate held for sale | | 497,026.22 | |
| Mortgages: | | | |
| Principal | $1,770,752.57 | | |
| Interest due and accrued | 62,722.49 | | |
| | | 1,833,475.06 | |
| Agreements for sale: | | | |
| Principal | $343,837.18 | | |
| Interest due and accrued | 8,877.36 | | |
| | | 352,714.54 | |
| Agreements for Sale (conditional) | | 162,813.67 | |
| Loans on Dominion of Canada and Provinces of Canada and Canadian Municipal Securities | | 167,107.36 | |
| Loans on Stocks and Bonds | | 88,590.73 | |
| Other Securities | | 37,474.94 | |
| Loans or Advances to Trust Estates under Administration by the Corporation | | 603,494.04 | |
| Other Assets | | 538.76 | |
| Cash in Chartered Banks | $135,736.48 | | |
| Cash on Hand | 429.32 | | |
| | | 136,165.80 | |
| | | | $ 4,885,872.11 |
| GUARANTEED TRUSTS ACCOUNT— | | | |
| Mortgages: | | | |
| Principal | $8,153,753.18 | | |
| Interest due and accrued | 295,812.82 | | |
| | | $8,449,566.00 | |
| Dominion of Canada and Provinces of Canada Securities | | 149,708.20 | |
| Canadian Municipal Debentures | | 2,171,573.32 | |
| Loans on Dominion of Canada, Provinces of Canada and Canadian Municipal Securities | | 1,301,808.56 | |
| Cash in Chartered Banks | | 204,736.64 | |
| | | | $ 12,277,392.72 |
| ESTATES, TRUSTS AND AGENCIES ACCOUNT— | | | |
| Funds and Investments | | | $135,628,255.30 |
| | | | $152,791,520.13 |

### Liabilities

| | | |
|---|---|---|
| CAPITAL ACCOUNT— | | |
| Capital Stock Subscribed and fully paid | $2,000,000.00 | |
| Reserve Fund | 2,500,000.00 | |
| | $ 4,500,000.00 | |
| Contingent Reserve Fund | 150,000.00 | |
| Dividend No. 118, due Jan. 2, 1926 | 60,000.00 | |
| Balance of Appropriation for Federal Income Tax payable in 1926 | 26,313.31 | |
| Unearned Rents, re Office Buildings and Safe Deposit Vaults | 15,178.78 | |
| Profit and Loss | 134,380.02 | |
| | | $ 4,885,872.11 |
| GUARANTEED TRUSTS ACCOUNT— | | |
| Guaranteed Trust Funds for investment | $12,277,392.72 | |
| | | $ 12,277,392.72 |
| ESTATES, TRUSTS AND AGENCIES ACCOUNT— | | |
| Assets of Estates, Trusts and Agencies under administration | | $135,628,255.30 |
| | | $152,791,520.13 |

## Head Office, - - Bay and Melinda Streets, TORONTO

HON. N. W. ROWELL, K.C., LL.D., President.
MAJOR-GEN. SIR JOHN M. GIBSON, K.C.M.G., K.C., LL.D. CHARLES S. BLACKWELL E. T. MALONE, K.C.
Vice-Presidents.
W. G. WATSON, General Manager. H. M. FORBES, Assistant General Manager.

**BRANCHES:**

OTTAWA—Elgin & Sparks Streets, J. Fred Davey, Manager
SASKATOON—2nd Avenue & 21st Street, F. G. Lewin, Manager
WINNIPEG—363 Main Street, John Paton, Manager
VANCOUVER—Seymour & Pender Sts. H. C. Hewetson, Manager

Copies of the Annual Report containing a complete account of the proceedings of the Annual Meeting with the addresses of the President and General Manager mailed on request.

# TORONTO GENERAL TRUSTS CORPORATION

(Continued from page 22)

Crop Lease basis, where no cash or only a comparatively small amount of cash has been received, are carried in our assets at the original amount at which the several parcels formerly stood in the Real Estate Account, although the total of such sales represents a figure nearly 50 per cent. higher than the item appears in the statement.

The interest in arrear and accrued on our own mortgages held for Capital Account and those held for Guaranteed Funds shows an improvement over 1924 of $84,000, although our total mortgages for these two accounts have increased during the year by $513,757, and now stand at $9,924,505.

You will, I am sure, be interested in knowing that in connection with our Ontario mortgages where we have investments of our own negotiation, held for estates, trusts, guaranteed and capital accounts, of $19,538,833, only some $20,000 of interest is in arrear, or approximately one-tenth of one per cent.

The applications for mortgage loans of a satisfactory class are still much below the volume of funds in the hands of lending companies for this purpose, although, owing to the ramifications of our business affairs and a persistent endeavor throughout the year to obtain high-class mortgages, it has been possible, notwithstanding heavy repayments, to increase our mortgage holdings for all accounts by $1,130,594 during the year.

First-class Canadian municipal debentures have been available, and may still be had, to pay 5 per cent. or better in fairly substantial volume, and one feels that owing to the general business and monetary situation in Great Britain, the United States and Canada, such securities purchased now at these prices should be attractive investments for some years to come. We have during the year taken full advantage of the debenture market to very considerably increase our holdings of this class of security.

### GUARANTEE INVESTMENT CERTIFICATES

Our guaranteed form of investment, as expressed in our Guarantee Investment Certificate, continues to find favor with an ever-increasing number of investors, with the result that our guaranteed funds show an increase for the year of nearly one million dollars. This is a most convenient, seasoned and well-secured trustee investment, carrying interest at a net fixed rate from the day on which the funds reach our office until the maturity date of the certificate, with the interest payments, made at the request of the investor either by cheque half-yearly, or deposited to his credit in such bank as he may designate.

The Trust Company as an institution in Canada has justly earned the confidence of the public during the forty-four years that have elapsed since it had its birth in the minds of a little group of far-seeing, painstaking Canadians of courage and ability, who, under a charter obtained from the Ontario Government, launched the idea in 1882 in a vehicle known as The Toronto General Trusts Company, with the late Honorable Edward Blake as President and the late John Woodburn Langmuir as Manager. Of the men who comprised the first Board of Directors in those distant days only one remains with us, namely, our good friend and greatly esteemed member of the present Board, Mr. J. G. Scott, who, I am happy to say, is still one of our most regular attendants at the weekly sessions of the Board, and who, I am sure we all trust, may continue in good health to be with us six years hence, when we celebrate the first half century of our history. At the first Annual Meeting of the Company there were total assets reported of approximately $750,000. In the intervening years these figures have grown to over one hundred and fifty million dollars, and the total assets of all trust companies registering returns in the Province of Ontario for the year ended December 31st, 1924, exceeded the sum of $900,000,000, which in itself is not only an indication of the greatly extended use of the Trust Company service, but evidence of a most convincing kind of the remarkable increase of wealth that has taken place in Canada during these years.

There were giants in Canada in 1882, as there are giants to-day, and I have been creditably informed that there were also a few downright, out-and-out "pessimists," too, whose descendants appear to tarry with us to this day. However, Canada moves on in her mission—development proceeds in many directions—industry grows—business expands—wealth increases, not in a few hands, as formerly, but in many hands, and Canada in 1926 has entered into another year of rich promise.

### TRUST COMPANY DEVELOPMENT

The year 1925 not only marked a substantial growth in assets under the care of our Canadian trust companies, but developed a considerable increase in activity for these institutions in such business as Trusteeships for bond issues of industrial and other enterprises, transfer agencies, registrations, etc. This is a sign of trade development, a preparation for larger business, a recognition of the promise of better times, and happily it is not confined to Ontario. Our Western Provinces have just completed a year of real progress; no boom, but a steady movement forward, with a determination to consolidate each position retaken—a great harvest of wheat and other grains—stock of all kinds—and dairy, and other farm products, in increasing volume. Creameries and cheese factories are multiplying steadily, and big business institutions, Canadian and foreign, with far-sighted executives, are planning extensions or establishing themselves in different centres, with a view to sharing in the unfolding of a greater and more prosperous West.

I shall not go into details as to figures of trade returns, imports and exports, which have already been so ably dealt with by our President, or mounting assets in the hands of banks, insurance companies, trust and loan companies, which have already been reported at Annual Meetings in recent days by the chief officers of many companies. I will, however, say this, that one cannot marshal the facts that obtain to-day in our financial and economic structure without feeling that for the most part the stage is already set for a very substantial advance in our business affairs. We have ample funds for all legitimate business and industrial enterprises, including agricultural needs, as well as municipal requirements. Our foreign trade is growing rapidly, and home consumption is on the increase, with much larger demands coming up from the home market for all kinds of commodities owing, not entirely, but to a large extent, to the much improved financial position of our Canadian farmer, and particularly, the Westerner, which matter has been so ably dealt with to-day by our President, Mr. Rowell. The new immigration policy, if followed up with enterprise and sound business judgment, should do much to develop our resources and ultimately lighten our tax burdens.

### CONSERVATION OF WEALTH

With wealth comes responsibility, not alone for its present use, but for its future conservation and enjoyment, so that the business or fortune acquired through a lifetime of enterprise and industry may not be lost to those for whom it was gathered, through indifferent or inexperienced handling on the part of trustees charged with the administration of such affairs. That this important lesson is being learned by an ever-increasing number is obvious to officers of trust companies in Canada through the growing demand by our business and professional men for information and help in the important matter of scientifically planning for the future as against the former haphazard policy of committing this great responsibility to some friend or business associate, whose tenure of life may be no more secure than that of the testator.

We are exceedingly glad to see some new faces among our Shareholders present to-day, and we should gladly welcome many more at these gatherings of those who go to make up the five hundred and forty-five shareholders of the Corporation, scattered as they are far and wide in this and other lands.

Let me at this time express a hope that our Shareholders will not hesitate to call at any of our offices or to write us if at any time we can be of any service, either in a personal way or for the purpose of obtaining information on any matter with which we may be familiar.

In conclusion, I wish to take this opportunity of expressing my very sincere appreciation of the continued loyalty and fine endeavor shown by the Officers and Staff of the Corporation throughout the year at Head Office and the several branches, extending from Ottawa in the East to Vancouver City, which, after all, is the organization upon which devolves the responsibility of interpreting to the public at large, and our clients in particular, the true spirit of your enterprise and its worth among the institutions of the modern financial world.

The adoption of the report, moved by the Hon. N. W. Rowell, K.C., LL.D., and seconded by Charles S. Blackwell, Esq., was unanimously adopted.

On motion the following Shareholders were appointed Directors for the ensuing year: Hon. N. W. Rowell, K.C., LL.D.; Major-General Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Charles S. Blackwell; E. T. Malone, K.C.; J. G. Scott, K.C.; Hon. A. C. Hardy; Lieut.-Col. R. W. Leonard; J. Bruce Macdonald; Hon. Sir Daniel H. McMillan, K.C.M.G.; Lieut.-Col. John F. Michie; H. H. Williams; Robert Hobson; Thomas Bradshaw, F.I.A.; Wilmot L. Matthews; Archibald H. Campbell; F. Barry Hayes; S. J. Moore; Isaac Pitblado, K.C., LL.D.; Britton Osler, K.C., and Alexander Maclaren.

At a subsequent meeting of the Directors the following officers were elected: President, Hon. N. W. Rowell, K.C., LL.D.; Vice-Presidents, Major-General Sir John M. Gibson, K.C.M.G., K.C., LL.D., Charles S. Blackwell, and E. T. Malone, K.C.

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Annual Report of

## The Southern Loan & Savings Company

ST. THOMAS, ONTARIO.

BALANCE SHEET, 31st December, 1925

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Office Premises | $ 24,000.00 | To the Public: | |
| Mortgages—Principal | 2,518,958.78 | Deposits and Accrued Interest | $ 546,055.61 |
| Int. due and accrued | 80,504.83 | Debentures and Acc'd. Interest | 1,046,677.98 |
| Real Estate held for sale | 18,449.97 | Retained to Pay Prior Mortgages | 15,066.15 |
| Loans on Company's Debentures and Govt. Bonds | 4,372.83 | Due to Banks | 242.39 |
| | | | $1,608,042.08 |
| Bonds and Debentures Owned— | | To the Shareholders: | |
| Imperial War Loan | 1,000.00 | Capital | $ 900,000.00 |
| Dominion of Canada | 253,845.87 | Reserve Fund | 365,000.00 |
| Province of Ontario | 12,210.70 | Dividend No. 45 and Bonus | 36,000.00 |
| City of Galt | 10,137.13 | Balance forward | 23,807.12 |
| Cash on hand | 9,369.59 | | $1,324,807.12 |
| | $2,932,849.20 | | $2,932,849.20 |

PROFIT AND LOSS FOR 1925

| | | | |
|---|---|---|---|
| TO | | Deficiency on Property Foreclosed | 2,543.46 |
| Int. on Deposits, Debentures, etc. | $ 74,338.32 | Dividends and Bonus | 63,000.00 |
| Expenses (incl. Salaries, Directors' and Auditors' Fees, Land Inspection and Office Maintenance) | 15,584.34 | Transferred to Reserve | 20,000.00 |
| Commissions on Loans | 2,728.00 | Balance carried forward | 23,807.12 |
| Taxes— | | | $214,731.27 |
| City of St. Thomas Business Tax | 274.35 | BY | |
| Prov. of Ontario, License & Tax | 1,755.11 | Balance forward | $ 21,140.45 |
| Dominion Income Tax | 8,572.22 | Interest, Rental of Company's Building, etc. | 193,590.81 |
| City of St. Thomas on Building. (Total taxes, $11,730.03). | 1,128.35 | | |
| Written off Co.'s Building | 1,000.00 | | $214,731.27 |

J. W. STEWART, Manager. GEO. K. CROCKER, President.

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# GOVERNMENT MUST DEFINE MEANING OF "EQUALIZATION"

## Railway Counsel Admits Lack of Understanding of Significance of Term

OTTAWA.—One of the pitfalls which lies in the path of the general railway rate investigation, ordered by the Dominion government, was dragged out into the limelight temporarily in a hearing before the Railway Commission this week. The case up at the time was the application of the Canadian National to hold over the decreases which came into effect on Thursday on explosives. Alistair Fraser, of counsel for that company, was arguing that those reduced rates should not be put into force until they had been considered in connection with the general rate investigation. S. J. McLean, assistant chief commissioner, was discussing the bearing on Mr. Fraser's request of the order-in-council which directed the general inquiry, and he was seeking to define the meaning of the phrase "equalization of rates."

In seeking for a definition of the meaning of this much debated term the assistant chief commissioner remarked that he had not been able to find any other meaning for it except equal rates "under similar conditions and circumstances." "Is that the judgment of the board?" came an instant question from the Canadian National counsel. Mr. McLean at once disclaimed any intention of speaking for the whole board and stated that he had expressed his own opinion only.

Then Mr. Fraser explained why he had asked the question. The railways had been much puzzled, he said, by the meaning of the phrase "equalization of rates." Until they knew what those words meant, he intimated, they would find it difficult just how to put their case before the board. They were quite familiar, however, with the definition of them just given by the assistant chief commissioner, and if that was the view of the board, it would roll a burden off their minds.

None of the other commissioners accepted the implied invitation of Mr. Fraser to state their opinions, and the matter rested there. Nevertheless the incident threw into relief one of the chief problems of the big investigation.

"What does "equalization of rates" mean? It is generally recognized in railway circles in all countries that absolute equality of rates is impracticable. Scarcely anyone would argue that rates on different articles should be equal; and that interpretation is not expected to arise in the coming investigation. It has been urged repeatedly, on the other hand, that rates on a given commodity should be equal mile for mile all over the country; and this argument is very likely to be put forward during the approaching inquiry. Such an interpretation, however, would clash with railway practice in nearly all, if not all countries, and would entirely wreck the existing rate schedule in the Dominion.

### Equal Rates Impracticable

The impracticability of equal mileage rates all over the country has been stressed in one memorial which has been placed before the board in the "equalization case." The chamber of commerce of Victoria, B.C., has written the commission, urging that the existing "zone" rates should be maintained. Just a few weeks ago, on the other hand, one of the big lumbermen of Ontario argued that rates on his product should be placed on a basis of equality per mile.

There are, of course, many exceptions to equal mileage rates in the present tariffs. There are, for instance, the town tariffs. These are constructed with a view to facilitating the building up of certain wholesale centres, designed to serve the adjacent districts. The wholesale business of Winnipeg and Vancouver was based on such tariffs, and in turn so was the wholesale trade of Regina and other prairie cities. If an equal mileage system were to be put into force, it would shatter the system of rates on which these wholesale operations are built. The same principle would apply to some cities in eastern Canada; but the Vancouver and Regina cases were those which have made railway rate history in Canada.

This question of equal mileage rates is one which Alistair Fraser had in mind when he asked his question of Mr. Commissioner McLean. There are doubtless other differences of interpretation of "equalization of rates" which might be raised, and any of them would necessarily throw confusion into the rate making of the board. But the view expressed by the assistant chief commissioner is that which has governed the decisions of the commission in the past, and if that principle were laid down at the outset of the big inquiry, it would naturally relieve the minds of railway men of many doubts and uncertainties. However, the commission did not see fit to answer the query raised by the Canadian National counsel, and the cloud of uncertainty therefore remains to throw doubt over the course of the biggest inquiry into railway rates ever attempted in Canada.

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### P. E. I. AFTER EXPORT TRADE

CHARLOTTETOWN. — Prince Edward Island will go after West Indies trade by sending a trade commissioner to the Islands shortly in the person of Hon. H. D. McEwen, who was recently sworn into the cabinet with the portfolio of trade. He will visit the principal islands of the British West Indies with the object of finding markets for Prince Edward Island products, and ascertain what products of the island can be profitably handled here.

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# IMPROVEMENT IN INTER-BANK ROUTINE WOULD CHECK "KITING"

(Continued from page 15)

count in its treatment of the orders he may issue upon it. The law holds the bank responsible that the cheque is paid to the proper party, and the customer always holds the bank to the letter of the law in this respect. When, however, a payee complains to the maker that he has been put to inconvenience by the bank insisting on adequate identification, the blame is always put on the bank, which is only protecting itself in carrying out the instructions issued by the maker of the cheque. That individual could if he were inclined dispense with identification, and make it easy for the payee of his cheque to negotiate it, but he does not want to take the risk. He prefers the present standing instructions to the bank, to pay only to the party designated, leaving the bank and payee to fight it out between them.

### Don't Blame the Bank

When a man finds himself unable to produce sufficient evidence of his identity to satisfy the bank, and is annoyed in consequence, he has no right to criticize the bank. His comments, profane and other, should be directed at the maker of the cheque, who has left the bank no discretion in the matter. Of course it may take a chance, but then it is not paid to take chances when it pays cheques over the counter, and where there is no profit any concern is foolish to accept any risk.

A bank undertakes to honor its customers' cheques on demand up to the amount of the funds at the makers credit. It makes no profit on this; it is an expense, part of the service it renders to the depositor for the use of the funds he carries with the bank, and its obligation is entirely to the customer.

Frequently cheques on other banks are presented for investment, and the party presenting feels much aggrieved when the favor is refused. Why it is hard to say.

What he is really asking is that the bank will make him an advance, and without charge, for the amount of the cheque, and that it will take the necessary steps to present it at the place of payment, guaranteeing to the paying bank and the maker of the cheque, that payment has been made to the rightful payee. If the one asking this accommodation is a customer he has some right to make this request, because it is presumed that the profit the bank makes from his account warrants it. A stranger, however, has no right whatever to expect this, and unless the bank negotiating the cheque knows the party presenting, and knows that he is worth cultivating for the sake of obtaining some of his business, which may be expected to yield a profit, there is no sense in taking the risk. For a teller to take a chance on a cheque drawn on another bank, and presented by a stranger is plumb foolish, as his bank is out the cost of handling, the interest for the time outstanding, in addition to the risk involved.

### Expenses Are Real

These expenses are real. Three days outstanding as to per cent. is equal almost to 1/16 of one per cent. or 6 cents per $100 and the per item handling cost, according to American cost accounting, is 3 cents, so that when a teller takes a chance in this way, not only is there no profit, but he is actually paying the party presenting the cheque about nine or ten cents to allow the bank to take the risk and responsibility.

There is also much misunderstanding of the nature of a protest. The man whose cheque is protested blames the bank at which he carries his account. He should blame the man to whom he gave the cheque. This man could avoid the necessity of protest by stating his willingness to waive his right to notice of dishonor in case of non-payment. By not doing so he notifies the bank, that, in the event of the cheque being unpaid, he will refuse to be responsible unless he receives notice of dishonor, and, as protest by a notary public with its official notice is the only way of avoiding dispute, the cheque is protested. The customer may talk loudly when such a thing happens, but he is the one to blame. He exceeded his rights under the contract in issuing the cheque without making provision; he did not even have the courtesy to request an advance in the regular way, but attempted to run a bluff, in the hope that the bank would pay the cheque rather than run the risk of damaging its customer's credit, and if his bluff is called he cannot complain of the bank's action. He would not dream of accepting a draft drawn upon himself by one of his creditors if the draft exceeded even by a trifling sum the amount he owed and would probably return it with some caustic comment on the office system responsible for the mistake. In spite of this, if a cheque is presented which the bank is not justified in paying he expects the banker to go to the trouble of calling him up so that provision may be made before it is necessary to return the cheque to the presenting party.

In New York State there is a statute which makes the issuing of a cheque for which there are not sufficient funds a misdemeanor punishable by fine or imprisonment or both, and this materially lessened the habit in that country. Canada is said to be cursed with an excessive number of dishonored cheques refused because of insufficient funds, but to get criminal action against those who make a practice of it is extremely difficult as it is necessary to prove that the maker knew the cheque would not be paid on presentation. Even if proof were forthcoming the courts seem to take a lenient view of the offence, and the penalty for fraud is not inflicted. It might be worth while making a change in the law, reducing the charge from a crime to a misdemeanor, and accepting the fact that the cheque was refused as prima facie evidence of the offence placing the burden of proof upon the one who issued the cheque rather than on the victim. This reduced the practice in New York, and would undoubtedly have the same effect here. The only ones who would suffer would be the men who make a practice of "kiting," as any one who had inadvertently overstepped the line could easily rectify the mistake in time to avoid trouble, also the mere fact that a few old offenders had been given ten days in jail would do more to put a stop to the issuing of worthless cheques than all the sermons ever preached.

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# L. GOLDMAN, DEAN OF LIFE INSURANCE, RETIRES

(Continued from page 10)

adian life insurance companies, numerous high executives who got their start under Mr. Goldman in just that way.

### Art Gallery For the Office

There is one feature of Mr. Goldman's work that indicates in a pointed and interesting way his cultural sensibilities and his sympathetic appreciation of the artistic. From the early days of the company, he was impressed with the struggling condition of Canadian art and he felt that it would be an excellent thing for the North American Life to do something to assist Canadian artists, and at the same time, give to his company's offices an atmosphere of distinction and good taste. He discussed it with J. L. Blaikie, vice-president and, later, president of the company, and between them they purchased a number of pictures by Canadian artists then living. Their first picture was by a hard-working but not widely recognised worker in oils, Homer Watson. They paid $80 for the picture, declining to bid down the price, as they easily might have done. Watson, of course, ranks to-day among our finest artists and this painting would fetch $1,500 in any market. Their second acquisition was a painting by Jacobi, where again they paid what the artist asked without following the usual practice of putting in a lower bid. The painting cost $100 and by many is recognized as the finest example of his work. That was over forty years ago but on the day after he resigned, Mr. Goldman was able to go to the opening of the new Art Gallery in Toronto and see Jacobi's of lesser value enshrined among the greatest pictures of Canada's artistic history.

The collection at the North American Life offices has continued to grow, adding to the aesthetic background of the surroundings and leaving behind each acquisition some encouragement of a definite nature for a Canadian artist.

### Two Other Fine Collections

The choice of painting evidences an artistic conservatism on the part of Mr. Goldman that finds further indication in two other collections in the office. One is a group of fine portraits of past officers of the company by J. W. L. Forster, who has been commissioned to do all of the company's portraits, despite the rise of artists who have loomed high in passing moods of public fancy. The other is a series of fine oil paintings of Canadian Indians, chosen for the company's succession of yearly calendars. A number of years ago Mr. Goldman chose an Indian subject from a group of samples submitted to him and the Indian has remained on the calendar ever since, each year in a different action but always exemplifying the company's name—North American.

For every evidence of conservatism on the part of Mr. Goldman there is a compensating indicator of progressivism. His was the force behind the formation of the Life Officers' Association, which brought officers of the various companies together to discuss ways and means of bringing about more uniform practice and to provide better for the interests of policyholders.

Mr. Goldman was, too, the instigator of the fight against the pernicous habit of "rebating," which grew up in the early days of life insurance and reached such proportions that most men taking out policies were getting some concession in the rate from agents. He fought "rebating" and was able, with others, to have legislation passed to make it illegal. During the fight, he went to his board of directors and told them that he had refused to continue to accept the usual 15 per cent. rebate that the company was being given on its fire insurance, as he wanted the company to be consistent in its fight.

### He's Not Too Bad at Golf

For many years Mr. Goldman was a keen billiard player and had a reputation in that game that was known from coast to coast. Golf took his fancy later and he became considerably better than average player taking up golf late in life. He still breaks a hundred, which is an achievement of merit for a man of 75.

The elements are well mixed in this sterling old gentleman, for while he has tenacity of spirit, fixity of purpose and earnestness in endeavor, he plays with vigor and tells a good story with dry humor. Even at the last annual meeting, when his retirement and retirement of two fellow directors of many years' standing, threatened to cast its shadow of regret about the proceedings, he could not resist interspersing the dry and formal motions with some of his favorite stories.

His activities outside the office have been varied, all linked, however, with his rare delight in human contacts. Formation of an aquatic association, promotion of boys' work and support of sporting activities are numbered among the things that have shared his interest.

Mr. Goldman is a man well-equipped to retire since his associations have always been broader than business alone, and in that wealth of interests, he displays one of the best reasons for being a mid-Victorian.

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### Gives Up Business But Not His Post

About the first "unofficial" act of L. Goldman, when he retired from the presidency of the North American Life Assurance Company last week, was to subscribe to The Financial Post to go to his home in Toronto.

"I have read every copy of The Financial Post since it was founded in 1907 by Col. Maclean and the late Stewart Houston," said Mr. Goldman, "and I want to continue to get it, although I am giving up active participation in business. And I must say that it has been getting better and better with every issue. I do not agree with its stand on everything, but I agree with about 95 per cent. of what it says."

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*MANITOBA'S MUTUAL*

## Portage la Prairie Farmers' Mutual Fire Insurance Company

*FORTY-SECOND ANNUAL REPORT*

| ASSETS | | LIABILITIES | |
|---|---|---|---|
| Cash Assets | $ 287,602.35 | Reserve for Cash Premiums | $ 15,000.00 |
| 1925 Assessment Unpaid | 34,557.35 | Losses Reported but Unadjusted | 3,448.55 |
| Balance of Unassessed Premium Notes | 819,649.54 | SURPLUS ASSETS OVER LIABILITIES | 1,123,360.69 |
| | $1,141,809.24 | | $1,141,809.24 |

| | |
|---|---|
| Insurance Written During 1925 | $23,202,348.00 |
| Total Amount Business in Force | $64,152,675.00 |

STRATTON WHITAKER, Secretary-Manager

E. H. MUIR, President

M. G. TIDSBURY, Vice-President

A. H. THORPE, Treasurer

This Company has the distinction of giving the greatest amount of protection for the smallest premium charged by any Fire Insurance Company in Western Canada for a period of forty-two years.

THEY sat in conference, these men, planning their selling activities for 1926. They were the department heads of one of Canada's largest merchandising organizations.* Before them they had important statistics on conditions in every part of Canada. But they were puzzled. One important group of figures that they needed was missing. Nowhere in the building could figures be found of automobile registrations throughout Canada — by provinces and by cities. Yet these would have given them the picture they needed of sales possibilities in one of their departments.

A knock on the door.

"Come in," said one of the men, in whose office the meeting was being held. He was gruff—interruptions were not welcome.

When the door opened, the young man who started to enter hesitated and was about to withdraw. "Sorry," he said. "I did not know you were in conference. You remember, you told me to come back at this hour."

The young man was a salesman selling The Financial Post Survey 1926.

"No, don't go away. Come in," said the man who had made the appointment. Quickly he told what they were looking for. "If your book will show us what we want right now, I'll buy it," he said.

In a second they had what they had looked for all over the office. The auto registrations were there — by provinces and by cities.

Others of the men in the group turned over the pages of The Survey. One found agricultural figures he had wanted. Another found investment information that caught his fancy. Another saw where the book would be of value in his department.

"Take my order, too," one said. "And mine," added another.

The Survey salesman booked four orders then and there—and in the midst of an important conference.

* Name on request.

* * *

THE biggest value in The Survey is that it is there when you want it. When you buy it you do not know exactly how and when you are going to be able to use it. But in every office there come times in the course of the year when accurate data and statistics on Canadian business conditions are needed—and needed in a hurry. And that's when and where The Survey comes in, proving itself worth many times the purchase price.

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